Austria ... Sch. 18	Indonesia ... Rp 2500	Portugal ... Esc 75
Bahrain ... Din.0.650	Italy ... L 1100	S Arabia ... Rls 6.00
Belgium ... BFr.38	Japan ... Y550	Singapore ... S$ 4.10
Canada ... C$2.00	Jordan ... Fils 500	Spain ... Pta 100
Cyprus ... Mils 600	Kuwait ... Fils 500	Sri Lanka ... Rup 30
Denmark ... Dkr 7.25	Lebanon ... £L 6.00	Sweden ... Skr 6.50
Egypt ... E£1.00	Luxembourg ... LFr.38	Switzerland ... SwFr 2
Finland ... Fmk 5.50	Malaysia ... Rm 4.25	Taiwan ... NT $65
France ... FFr 6.00	Mexico ... Pes. 300	Tunisia ... Din 0.600
Germany ... DM 2.20	Morocco ... Dh 6.00	Turkey ... L 160
Greece ... Dr 60	Netherlands ... Fl 2.50	U.A.E. ... Dh 6.50
Hong Kong ... HK$ 12	Norway ... Nkr. 6.00	U.S.A. ... $1.50
India ... Rps. 15	Philippines ... Pes. 20	

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FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,222 — Tuesday January 17 1984 — D 8523 B

West Germany waits and worries over strong dollar, Page 2

NEWS SUMMARY

GENERAL

Beirut shelling kills three

Heavy shelling of Christian east Beirut killed at least three people and injured seven. The attack came while U.S. envoy Donald Rumsfeld was having talks nearby with Lebanon's President Amin Gemayel.

During the talks there were artillery duels in the surrounding hills between Christian and Druze militia.

Several shells fell near the presidential palace where the talks were held. **Page 3**

Thatcher for Rome

British Premier Margaret Thatcher, accompanied by senior Ministers, will visit Rome next week for talks with Premier Bettino Craxi.

No Schlüter bonus

Denmark's four-party minority government, led by Conservative Poul Schlüter, failed to gain a hoped-for extra seat after a recount, so they have 76 seats against other parties' 103 and depend on neutrals' support to put through legislation. **Page 2**

Afghan rebels die

Forty anti-Communist Afghan rebels were killed fighting government troops near Kabul, state radio reported

Ban on prawns

Dutch Government put a one-month ban on the sale of some varieties of imported prawns, and West Germany banned them indefinitely. Dutch deaths after eating prawns reached 13 yesterday, and about 100 other people are ill.

Riot charges

In Hong Kong, 117 people appeared in court on charges including arson, burglary and assault after Friday's rioting.

Iraq's new threat

Iraq said a new Iranian offensive in the Gulf war was imminent, and repeated a threat to retaliate by attacking Iranian oil installations.

Greek reshuffle

Gregoris Varfis, Greek Minister for EEC Affairs, resigned from the Cabinet on health grounds. His job will go to Theodore Pangalos, formerly an under-secretary in the Commerce Ministry, and promoted as part of an extensive reshuffle.

Australian floods

Most Australian farmers were celebrating two days of torrential rain that reached as much as 300mm (12 inches) in some places, nearly an average year's fall. There were floods and an end to one of the century's worst droughts, and a government official said it meant at least six months' grazing for animals.

Eritrea claim

Eritrean rebel guerrillas claim to have taken the town of Tesseney in north-eastern Ethiopia.

Ecuador-Peru clash

Ecuador's Defence Ministry said one of its soldiers was killed and another injured after being fired on by Peruvian troops in a jungle border region.

Dutch want Games

The Netherlands is bidding to stage the 1992 summer Olympic Games in Amsterdam, Rotterdam, or both.

Cause for alarm

Thieves stole four burglar alarms from the Devon, England, factory that makes them but which had not fitted one outside its premises.

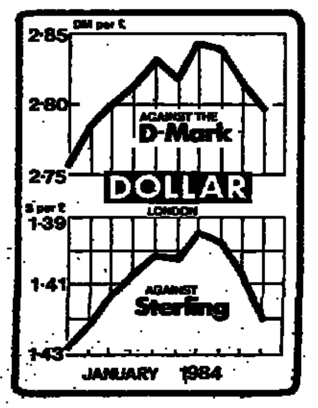
BUSINESS

Israel toughens currency curbs

BANK OF ISRAEL announced tough new restrictions on Israeli citizens. Now new private investment in overseas bonds and shares and gold will be allowed, and those with bank accounts abroad must close them and repatriate their money within a month. Israelis planning to emigrate can take out only $2,000 a year. **Feature, Page 12**

STERLING rose 1.25c against the dollar in London, closing at $1.4205. It rose to DM 3.975 (from DM 3.9625), FFr 12.1425 (FFr 12.115), SwFr 3.155 (SwFr 3.1425) and Y331.5 (Y329). Its Bank of England trade-weighted index rose from 82.1 to 82.2. In New York it closed at $1.423. **Page 31**

DOLLAR fluctuated before closing at DM 2.796, its lowest closing level for two weeks, against Friday's DM 2.8125. It also fell to FFr 8.5525 (FFr 8.605), SwFr 2.219 (SwFr 2.23) and Y233.25 (Y233.6). Its trade weighting fell from 131.6 to 131.2. In New York it closed at DM 2.79125, FFr 8.53375, SwFr 2.2205 and Y233.25. **Page 31**



LONDON: FT Industrial Ordinary index rose 5.6 to 813.7. Government securities were virtually unchanged. **Report, Page 25; FT Share Information Service, Page 26, 27**

WALL STREET: Dow Jones industrial average closed 2.51 down at 1,267.59. **Report, Page 21; Full share prices, Pages 22–24**

GOLD fell $4.5 in London to $367.125. In Frankfurt the fall was $4, to $369.25, and in Zurich it fell $4.25 to $369.25. The Comex January settlement was $370.1. **Page 20**

TOKYO: Closed for holiday.

ITALY asked the EEC for a 1.2m tonnes increase in its steel production quota to allow the reopening of a plant at Bagnoli, near Naples. **Page 14**

CHASE MANHATTAN, third biggest U.S. bank group, increased net income in 1983 by more than 39 per cent at $429.6m, although it had a $117m tax loss item in 1982. **Page 15**

NCR, fifth-ranking U.S. computer maker, improved profits last year by 23 per cent, at a record $288m. **Page 15**

UK BUDGET is likely to be presented on March 13. The date will be confirmed on Thursday. **Page 6**

SPAIN'S fishermen staged a 24-hour strike to demand extra fuel subsidies.

PORTUGAL is to update its import procedures, to Gatt standards. **Page 4.** It announced a 1982 third-quarter current-account trade surplus of $65m. **Page 2.**

JGL INVESTMENTS of Melbourne made an A$104m ($93.6m) offer for LNC Industries, Australia's second largest vehicle distributor. **Page 16**

ENERGOPROJEKT of Yugoslavia has been awarded a $60m contract to build a dam for Kenya's Kiambera hydropower system.

GENERAL ELECTRIC of the U.S. increased fourth-quarter earnings to $579m or $1.27 a share against $524m or $1.15 a share, on sales down slightly from $7.46bn to $7.43bn.

Reagan appeals to Moscow to enter new arms dialogue

BY STEWART FLEMING IN WASHINGTON

President Ronald Reagan yesterday called on the Soviet Union to open a new chapter in U.S.-Soviet relations and to seize the opportunity which, he maintained, existed for progress on arms control.

Speaking at the White House on the eve of the Stockholm conference on disarmament, the President put aside the harsh rhetoric which has characterised his comments on the Soviet Union through much of his political career.

Mr Reagan conceded that the U.S.-Soviet relationship "is not what it must be." But he claimed that "1984 finds the United States in its strongest position in years to establish a constructive and realistic working relationship with the Soviet Union," adding: "If the Soviet Government wants peace, then there will be peace."

For a President who, through most of his political career and notably in the 1980 election campaign has been virulently anti-Soviet, Mr Reagan's retreat from the poisoned rhetoric he applied to the Soviet Union even a few months ago has been striking. However, in what will be seen as an effort to reassure conservative Republicans, Mr Reagan tied his calls to the Soviet Union for "a dialogue that will serve to promote peace" with firm, but measured criticism of the Soviets for not living up to past superpower agreements. He also gave a veiled warning that if the Soviet Union wanted to avoid a costly arms race in the years to come, it was in its interests to return to the negotiating table.

In his address, parts of which were released on Sunday, Mr Reagan made no new concrete proposals ahead of the meeting expected later this week in Stockholm between Mr George Schultz, the U.S. Secretary of State, and Mr Andrei Gromyko, the Soviet Foreign Minister. Instead, he focused on improving the atmosphere surrounding superpower exchanges while making it clear that, in his view, it is Soviet ambition and the country's unreliability as a negotiating partner which is at the root of current tensions.

In Moscow, the Soviet authorities yesterday reacted sceptically to Mr Reagan's speech. The general mood was typified by a commentator of the Tass news agency, who said Mr Reagan was merely using "peaceful rhetoric" to mask a "bellicose" foreign policy.

As is usual, there was no immediate official comment from the Soviet Government, which received an advance copy of Mr Reagan's speech from the U.S. embassy in Moscow. The nearest to an official Soviet response came in an editorial yesterday in Pravda, the Communist Party newspaper, which complained that Washington had conducted arms control talks in Geneva merely to guarantee new Western missile deployments and secure an overall Western advantage.

Mr Reagan's remarks are being interpreted in the West as an effort to calm both international and domestic doubts about his readiness to negotiate seriously with the Soviet Union. When asked how the White House expected the Soviet, European and domestic audiences to react, a senior Administration official said: "The President hopes that it will remove any ambiguity about his personal commitment to the resolution of problems with the Soviet Union. That commitment, that expression of flexibility, while not new is, in his judgment, all that is required to make real progress."

Continued on Page 14

Details, Page 4; Editorial comment, Page 12

China outlines plans for future of Hong Kong

BY ALAIN CASS, ASIA EDITOR, IN LONDON

CHINA yesterday presented the most comprehensive outline so far of its plans for the future of Hong Kong. The plans pledge that the British Crown colony will be allowed to maintain its social and economic systems well into the next century.

At the heart of the Chinese proposals is the creation of a Special Administrative Region for Hong Kong which would be free to run its own affairs – with the exception of defence and foreign policy – and be run by Hong Kong Chinese.

The plans were outlined by Ji Pengfei, China's State Councillor with special responsibility for Hong Kong, in an interview with a Chinese magazine.

The interview was later released by the official New China News Agency and was apparently timed to coincide with talks held in London yesterday by Mrs Margaret Thatcher, the British Prime Minister.

Mrs Thatcher met a delegation from Hong Kong, headed by Sir Edward Youde, the colony's governor, and members of the appointed executive council.

The next round of talks between Britain and China over the colony's future after the 19th century leases run out in 1997 are due on January 25 and 26 in Peking.

There remains considerable scepticism in the colony over Peking's real intentions for the future. But it seems that Britain's willingness to concede sovereignty after 1997, provided China gives clear guarantees for the territory's future, has elicited what diplomats are describing as the most positive response yet.

In the interview with the magazine Liaowang, Ji said that the negotiations between Peking and Britain "have made definite progress."

Continued on Page 14

Citibank in row over refusal to repay Manila deposits in $

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN LONDON

CITIBANK HAS provoked a row in international banking by refusing to repay deposits in U.S. currency held by other banks at its branch in Manila, the Philippines.

The bank, which is the largest banking group in the U.S., says it is unable to repay the dollars because of the foreign exchange restrictions recently introduced by the debt-ridden government of President Ferdinand Marcos.

A spokesman for the bank in New York yesterday declined to say how many dollars had been frozen in this way, but the issue is clearly a sensitive one for bankers because it could act as a precedent for the $1,000bn interbank market in which banks place their surplus funds and from which most international lending is financed.

The position of Citibank in the Philippines is one more example of how this market has been drawn into the tangled web of rescheduling. In 1982 Mexico caused a controversy by unsuccessfully attempting to freeze interbank deposits at its own banks as part of its rescheduling effort.

Now the Citibank move has thrown up an apparently unresolved question of how far bank head offices should assume responsibility for deposit agreements entered into by overseas branches in growing offshore centres like the Philippines.

The controversy yesterday drew a rare statement from Citibank, defending its position. It said repaying the deposits would put its Manila branch in breach of local law.

"In this instance the failure does not constitute a breach for which either the branch or institution as a whole is responsible. We believe this policy reflects the long established practice and realities of the international marketplace and applicable law."

Yet other bankers argue that Citibank's action could rebound against foreign bank branches of any country potentially subject to a foreign exchange crisis by limiting their capacity to attract dollar deposits. Partly for this reason the dispute is being monitored closely by leading central banks.

Under the terms of the so-called Basle Concordat, central banks have a carefully defined chain of responsibility for the supervision of banks operating internationally, but this does not oblige the U.S. Federal Reserve to take any action in the Citibank case.

While admitting that it was following the situation, the Federal Reserve Bank of New York reserved its position. "We have no stance, nor have we been asked to take any at this point," a spokesman said.

Some bankers believe the Philippines Government may modify its foreign exchange controls to allow Citibank to repay the deposits. Manila's aspirations to become an international financial centre have already suffered a setback from the controls, a bankers said yesterday. He added that established international centres like London have always taken great care to ensure that local foreign exchange restrictions do not interfere with the activities of offshore banking operations.

Hussein makes overture to Egypt

By Roger Matthews and Rami Khouri in Amman

KING HUSSEIN of Jordan yesterday called for the return of Egypt to the Arab League and said that his Government was determined to work out a tactful formula with the Palestine Liberation Organisation (PLO) for freeing Arab land from Israeli occupation.

His speech – to the first Jordanian Parliament to be convened in 17 years – intensified speculation that the king may be planning to meet Mr Hosni Mubarak, the Egyptian President, either in Amman or Cairo. President Mubarak had been told some weeks ago that he has an open invitation to visit Jordan.

The Parliament was suspended when it was agreed that the PLO should become the sole representative for the Palestinian people, and Jordan, along with the vast majority of Arab League states, broke off relations with Egypt in 1978 when Mr Anwar Sadat, the late Egyptian President, visited Jerusalem in preparation for signing his peace treaty with Israel.

King Hussein said: "Egypt cannot be left out of the ranks of the Arab nation, which is indispensable for Egypt, while Egypt remains indispensable for the Arab nation as well." But in order to achieve that, King Hussein emphasised that the Arab League must free itself from the political paralysis brought on by the adherence to the principle of the unanimity of members.

This, he said, gave a single state the opportunity to veto the wishes of the majority.

His remarks appeared aimed particularly at Syria, which is determined that Egypt should not be readmitted to the Arab League and has been seeking to topple Mr Yassir Arafat's leadership of the PLO.

King Hussein did not mention Mr Arafat by name, but said that the paramount aspect of Jordan's regional policy was "dialogue, co-ordination and co-operation with the PLO."

The Jordanian monarch stressed that his Government wanted to work with a "legitimate and free" PLO, thereby excluding those factions under direct Syrian control.

He emphasised that his govern-

Continued on Page 14

Druze shell Beirut, Page 3

France's contract to supply Saudi Arabia with an air defence system may be worth up to FFr 40bn ($5bn), the largest arms deal France has ever signed. Page 14

Import threat over Ford UK plant closure

BY BRIAN GROOM AND KENNETH GOODING IN LONDON

UNIONS AT Ford of Britain said they would urge members not to handle a range of imported engine parts after the motor company announced yesterday that it would close its Thames Foundry at Dagenham, east of London.

The loss-making foundry produces large iron castings, such as engine blocks, for use in Ford of Europe vehicles.

Ford told union negotiators in London yesterday that a phased closure of the plant would be completed by April 1985 with the loss of 2,000 jobs. The company would introduce a programme of early retirement and voluntary redundancy in the hope of avoiding compulsory redundancies.

Mr Ron Todd, national organiser of the Transport and General Workers' Union (TGWU) and chief negotiator for Ford's manual workers, said: "We will recommend to all the plants not to touch any imports of engine blocks, heads, cylinders, crankshafts and camshafts."

He added: "This is a fight over the total manufacturing capacity of Ford of Britain, not just the foundry. We are going to involve the whole of the labour force."

The ban on imported parts is intended to be imposed as soon as it can be organised. Meetings will be held at all 24 Ford plants in the UK, but the ban seems likely to affect mainly the plants at Dagenham and Bridgend, South Wales. Workers at the Thames Foundry will meet tomorrow.

Unions also fear that half the 3,500 jobs at the Dagenham engine plant are at risk from an alleged plan to make a replacement Sierra engine at Cologne, West Germany. But the company made no announcement about that yesterday.

Local union officials at Dagenham will meet on Sunday to discuss industrial action. Some are expected to press for a 24-hour strike.

Ford said the Dagenham foundry had been unprofitable since 1978. In the last three years it lost £75m ($106m) because it cost 60 per cent more to make castings there than it would to buy them from outside suppliers.

The foundry's troubles have been caused by overcapacity and low prices, declining demand for iron castings, a strong pound, inflation and low productivity. Output has declined from 148,000 a year in 1979 to 68,000 tonnes.

In 1980, Ford put forward a radical plan to slim operations. It said yesterday that the workforce had been co-operative but, despite the halving of the number of jobs, there had been no improvement in productivity.

Mr Bill Hayden, Ford of Europe's vice-president of manufacturing, said: "The prospects of returning the operation to a profit, even by the 1990s, and after sustaining more than a decade of uninterrupted losses, are too remote to justify the massive investment that would be involved."

Ford's European plants will now seek alternative supplies from a variety of sources, mainly in the UK and West Germany. The company already imports some castings into Britain.

The closure of the foundry will leave Ford with only one other iron foundry in Europe: at Leamington in the UK, which makes small, specialised components for petrol engines.

The European motor industry has no tradition of in-house iron castings production. Among the largest makers on the European continent, Fiat has its own facilities, and in Britain, Austin Rover and Talbot have foundries. But General Motors (Vauxhall) in the UK has not.

According to a recent Economist Intelligence Unit report, demand for cast iron from the European motor industry dropped from 150kg per car in the 1970–72 period to 115kg by 1980–82.

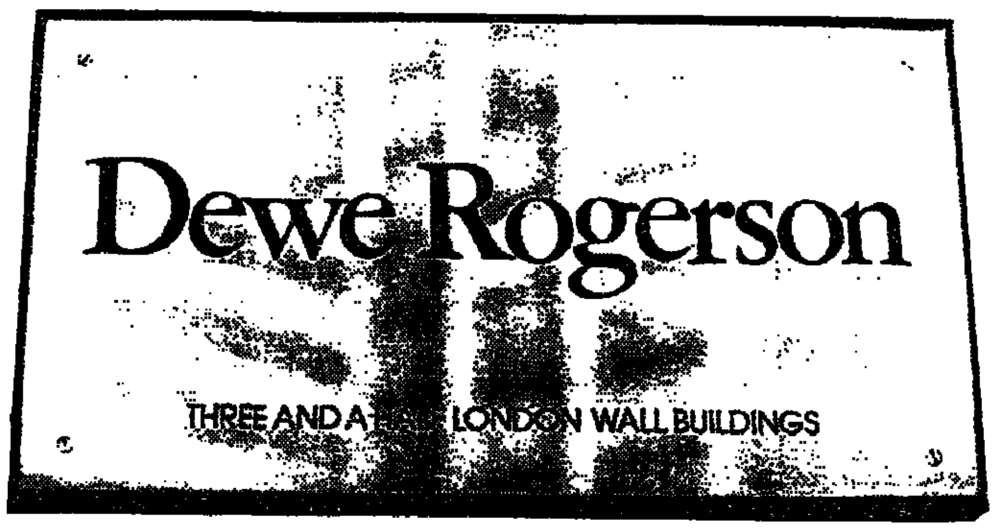
The closure of the Thames Foundry raises the broad question of Ford's future plans for Dagenham. At the end of the 1970s, the seven plants there employed 28,000 out of Ford's 72,000 employees in Britain. At the end of 1982, the hourly paid workforce had been cut to 10,400.

Ford has recently spent at Dagenham about £150m of its £660m European programme for the Sierra, and about £100m towards small diesel engine production. But the UK unions point out that Ford will soon have to decide on a replacement for the petrol engine produced at Dagenham. It is that engine which they fear will be switched to Cologne.

SALES RISE IN FRANCE

Ford and General Motors consolidated their positions on the French car market last year. While Ford remained the dominant foreign marque, with 7.1 per cent of the French market, GM boosted its share to 4 per cent, more than doubling its 1982 sales Page 2

DEWE ROGERSON GOES TO THE WALL.



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Tel: 01-638 9571 (as before)

CONTENTS

The rising dollar: West Germany waits and worries

Jonathan Carr in Frankfurt spells out an apocalyptic economic scenario

THE UNITED STATES must feel that the Europeans, not least the West Germans, are never satisfied. Here is the U.S., with its domestic boom under way, sucking in imports and acting as a classic "locomotive" of the world economy. Yet the Europeans moan about Washington's budget deficit, high interest rates and the soaring dollar. Some of them even propose new steps to shield Europe from the "harmful" impact of U.S. monetary and currency policy.

It is true that, in the short run, the West Germans in particular, have a lot to thank the U.S. for. After a slow start last year, German exports *picked up well, thanks* especially to the strength of U.S. demand and the competitive edge of D-mark against dollar-priced goods on world markets.

Without that fillip, the German economic recovery, sparked by domestic demand, might now be fading away. Instead the Germans achieved a real economic growth rate in 1983 of 1.2 per cent, which was more than almost everyone expected, while pulling down their inflation rate to 3 per cent.

So far, so good. But looking ahead West German monetary authorities believe an alarming scenario could well emerge, in two phases.

In the first phase, the U.S. boom continues, no action is taken by Washington to curb the budget deficit because of the autumn Presidnetial election, and because of fears that inflation may grow again. The upshot, it is felt, would be a new rise in U.S. interest rates and a dollar markedly stronger than its current level of between DM 2.80 and DM 2.90. That, in turn, would oblige German authorities to increase *interest rates too, in spite of* the damper this would mean for the economic upturn at home

So far West Germany has been able to uncouple itself a bit from the level of U.S. interest rates, thanks to its relatively low inflation, its current account of the balance of payment surplus and the gradual cut *in the Bonn Government's* budget deficit. But the Bundesbank could not stand idly by and watch the dollar strengthen against the D-mark indefinitely. *The exchange rate benefit for* German exports, so valuable at the start of the economic upswing, would start to be outweighed by the drawback of imported inflation caused by the higher dollar rate.

In the second phase, it is believed that the U.S. economic boom will finally bust and interest rates will start to fall again. As they do so, the attention of the currency markets will at last re-focus on the U.S. current account deficit, which may roughly double this year to some $80bn. Once that happens, German authorities believe, the U.S. currency could well drop like a stone, bringing a return to a dollar crisis in the pattern of the 1970s.

> 'The Bundesbank could not stand idly by and watch the dollar strengthen against the D-mark indefinitely. The exchange rate benefit for West German exports, so valuable at the start of the economic upswing, would start to be outweighed by the drawback of imported inflation caused by the high dollar rate.'

This apocalyptic vision does not have to come true. In theory the U.S. economic upswing might slowly level out, interest rates ease and the dollar stabilise without a big drama. The Germans would be overjoyed if that proved true. But they *feel it is more likely* that the growing U.S. budget and external deficits, the tension between a Keynesian economic policy and a Friedmanite monetary policy, will not permit an easy return to equilibrium.

What can the Europeans do to protect themselves? In the late 1970s the growing U.S. current account deficit and the plummeting dollar caused the then French and West German leaders, M Valery Giscard d'Estaing and Herr Helmut Schmidt, to concoct their plan for a European Monetary System (EMS).

Had the EMS developed on schedule with creation in 1981 of a European Monetary Fund and development of the Ecu as a reserve asset, the member countries might well be in a better position today to defend *themselves against dollar*-induced currency shocks. But both the Bonn Government and the Bundesbank see British membership as an essential precondition for EMS development, and they have no evidence that Britain wants to join.

The Germans believe that during France's current six-month Presidency of the European Community Council, it will produce further ideas for improving monetary cooperation and easing the dollar problem. But neither Bonn nor *the Bundesbank think much of* what they have heard of the ideas to date.

The Germans reject the proposal, made public last week by M Jacques Delors, the French Finance Minister, for a new issue of Special Drawing Rights (SDRs) by the International Monetary Fund. M Delors evidently feels this action would reduce demand by the deeply-indebted developing world for dollars, and hence depress the *value of the U.S. currency.* But the Germans think the scheme would increase the danger of inflation while having little impact on the dollar rate.

German authorities also oppose a scheme floated by the opposition Social Democrats involving a European tax on capital exports, being drawn to the U.S. by high interest rates. The idea is seen as impracticable and in any case dangerous, since it might induce the U.S. to take retaliatory action in the visible trade field. The export-*dependent Germans, who are at* present boosting their deliveries to the U.S. by nearly 30 per cent over those a year earlier, would be among the worst hit.

There remain the constant appeals in Europe for more and better-coordinated interventions on the currency markets by central banks to iron out "erratic fluctuation." The usual German response is that little effective can be done unless the U.S. changes its sceptical attitude, which it has failed to do despite frequent emergence of the topic at the Western economic summit conferences.

But in truth the Germans are not enthusiastic about intervention either. The Bundesbank *naturally fulfills* its commitments within the EMS and makes an occasional extra strike to show dollar speculators it has its eye on them. But it harbours no illusions that it can turn around a major market trend.

Does all that imply that the Germans see the possibility of a *dollar crisis* but have no ideas on how to head it off? Not quite. They advocate constant pressure on the Americans, bilaterally and with the EEC to cut the budget deficit—even though they are pretty sure there will be no early success.

They also preach that the more the Europeans can put their own economic houses in order, the less their currencies will come under strain and the lower their interest rates can be. That is neither new nor exciting. But in neither Bonn nor Frankfurt are other formulae in sight.

W. German general to sue over dismissal

By James Buchan in Bonn

GEN GUENTER Kiessling, the former deputy supreme allied commander in Europe, is expected to file a libel suit today in Bonn in connection with his peremptory dismissal at the end of last year.

The suit against "persons unknown," which the Bonn public prosecutor expects to receive today, is the latest twist in a tawdry saga which is turning into a serious embarrassment for the Kohl government and could be fatal politically for Merr Manfred Woerner, the defence minister.

Herr Woerner, who is *regarded even by opponents* as an able minister, goes before the parliamentary defence committee tomorrow to explain his reasons for sacking the general as a security risk. The decision was was based on a report by the MAD, the defence intelligence service, which claimed evidence that the general frequented two Cologne pubs favoured by homosexuals.

In the face of vigorous denials from Gen Kiessling, doubts are hardening even within the government about the investiga*tion carried out by the MAD.* Many remember how questionable methods by the service brought down a former Social Democrat defence minister, Herr Georg Leber, *in 1978.*

At the weekend, it emerged that the Cologne police had found a man looking remarkably like the general and well-known in the Cologne homosexual scene.

Herr Woerner said yesterday that this "double theory" was a "conspiracy." However, an offer by the ministry to confront the general with four witnesses was rejected by his solicitor after the ministry refused to name them beforehand so as to protect their indentities.

The government spokesman said yesterday that Chancllor Kohl wanted the public "fully informed in the next couple of days" over ther eason's for Gen Kiessling's dismissal.

Herr Woerner, though popular with serving soldiers, is not close to the Chancellor, while his breezy manner has not enamoured him to some cabinet colleagues. "No one minded seeing sonny-boy take a fall," a diplomat said soon after *the Kiessling affair* became public on January 5.

However, should the defence ministry case collapse, Herr Kohl could face a cabinet crisis—especially as Count Otto Lambsdorff, the economics minister, may have to resign if a court decides to proceed against him for corruption.

Commission says CAP inequities grow worse

By John Wyles in Brussels

THE UNCOMMON distribution of the common agricultural policy's benefits on EEC farm incomes is becoming more pro*nounced according to the latest* report from the European Commission. British, West German, French and Irish farmers are faring badly in comparison *with other* income groups and with their counterparts in other Community countries.

These disparities go some way towards explaining the harsh reactions in these "losing" countries to the Commission's proposals for a virtual price freeze in the 1984-85 farm year.

They are also an important *key to the violent protests* periodically mounted by French farmers, including recent attempts to block imports of pork and other meats.

The Commission says that "there is a marked downward trend in incomes" in West Germany and France because the costs of inputs (fuel, fertilisers, transport etc) are constantly *outpacing prices paid* at the farm gate.

It attributes the problem partly to slow adjustment to economic changes by farms *which are* only medium-sized and imperfectly specialised.

The cost/price squeeze is said to be less acute in Britain but a slower decline in the numbers of farmers or farm workers has inhibited a recovery *in* farm incomes over the past two or three years.

Ireland, however, has suffered the worst cost/price crunch, leading to heavy losses of income in 1974, 1980 and 1981. Again, the blame is put on inability to adapt to changing conditions because of concentration of production on small and medium-sized beef and dairy farms and because so much land is given over to grazing.

By contrast, farmers in the Netherlands, Belgium, Denmark and Luxembourg marked time for most of the 1970s but their incomes have increased sharply since 1980.

Indices comparing real farm incomes with real incomes in national economies as a whole, reveal similar differences between member states.

Using 1973 as a base year, overall incomes in France have climbed to 117 while farm incomes are at 91. In West Germany, comparable figures are 116 as against 99, in Britain 105 against 93 and Ireland 118 against 87.

The gaps are very much smaller in the Benelux countries while in Denmark, farm incomes have overtaken the national average.

The Agricultural Situation in the Community. 1983 Report. £11.90. Office for Official Publications of the European Communities.

France opens talks on EEC reforms

FRANCE YESTERDAY began bilateral negotiations with its European partners aimed at achieving an EEC agreement on budgetary and agricultural reform by March, writes David Housego in Paris.

M Claude Cheysson, Foreign Minister, together with M Roland Dumas, Minister for European Affairs, met Herr Hans-Dietrich Genscher, the West German Foreign Minister, near Paris. Also present were M Jacques Delors, the French Finance Minister, and Herr Gerhard *Stoltenberg,* his Bonn counterpart.

The meeting was the first in the series of bilateral contacts planned by France since it took over the presidency of the European Council of Ministers at the beginning of this month.

Splinter group may cut into Spanish Eurocommunist vote

BY TOM BURNS IN MADRID

AN OPENLY pro-Soviet splinter group of the mainstream Spanish Communist party, which wound up a three day constituent congress at the weekend, appears poised to make considerable inroads on its parent party with a call for a return to Marxist-Leninism and a whole-hearted rejection of the party's official Eurocommunist strategy.

Headed by Sr Ignacio Gallego, 69, a Spanish Civil War veteran and a one-time swineherd, who learnt to read in his late teens, the new group already claims a 25,000 following against an estimated 80,000 card-carrying members of the Partido Comunista de Espana (PCE). Sr Gallego resigned from his post on the PCE's central committee last *October, and 76 per cent of the 800* delegates attending the Congress in Madrid were said by the convention's organisation to have been former members of the official party.

Styling itself the "Congress of Communist Unity," the three-day meeting brought together eight small Communist factions as well *as hundreds of individual ex-PCE* militants. Nationally known members of the Workers Commissions' trade union movement and the former head of the Catalan communists were elected onto the 101-member central committee of the new party, which calls itself the Partido Comunista (PC)

The PC, with Sr Gallego as its secretary-general, propounds a return to the "roots" of the Spanish communist movement, and the main target of the Constituent Congress' debates was the "Social Democrat deviation" of latterday Eurocommunism, in what seemed *an historical re-enactment of Spanish* Communism in the 1930s, the meetings were dominated by giant portraits of Marx and Lenin. "Viva La Union Sovietica" was the enthu*siastic chorus of the delegates,* and part of the final day's end of congress concert, which drew a 15,000 audience, was taken up with singing Republican civil war songs.

The new party can depend on Moscow's sponsorship. At the time of the 1968 invasion of Czechoslovakia, which the Spanish party criticised, *Moscow* broke with the PCE. The official Soviet observer at the congress said Sr Gallego's PC could count on "all the friendship, help and solidarity of the Communist Party of the Soviet Union."

The convention was held in the same Madrid meeting hall where the PCE held its own congress in December. That congress was deeply divided between Eurocommunist supporters of the PCE's Secretary-General, Sr Gerardo Iglesias, and hardliners, who in the event were squeezed out of the mainstream party's leadership.

Sr Gallego is counting on enticing more support from the losing faction of the PCE's congress, and is convinced that there is ground on the left of the governing Socialists. In general elections in 1982, the *Communist vote in Spain* went down from 10 per cent to 4 per cent – a drop Sr Gallego believes was due to the overtly moderate line of the PCE.

● MADRID – Most of Spain's 5,000 inshore fishing boats stayed in port yesterday as fishermen staged a 24-hour strike to demand increased *fuel subsidies from the Govern*ment, fisheries officials said.

Balkan nations postpone talks on regional nuclear-free zone

BY ADRIANA IERODIACONOU IN ATHENS

AN ATHENS conference of officials from Greece, Bulgaria, Romania, Yugoslavia and Turkey, on the setting up of a nuclear-free zone in the Balkans, got off to an inconclusive start yesterday with a decision to cut short the scheduled week-long sessions after agreeing on an agenda and reconvene in February.

In everything but name only, the decision amounted to the granting of a last minute Turkish request for the postponement of the conference to January 30. The request had been dismissed by Athens, causing *Turkey to send observers, instead* of a full delegation, to the meeting.

In a face saving formula for the Greek Government, however, the postponement was presented yesterday as a decision to hold the conference in two phases – a preliminary phase ending on Wednesday, rather than Friday as scheduled, and a second phase set tentatively for the first ten days of February. A Greek *government spokesman said* that discussions this week would concentrate on an agenda which "would ensure the maximum prospects for success."

Ankara had cited lack of preparation in its request for a postponement, made last Friday. But Turkey, which like Greece reportedly hosts U.S. tactical nuclear weapons, is understood to be reluctant to consider their removal. It would like the agenda of a Balkan conference to concentrate instead on issues of technological and economic cooperation.

Turkish officials said yesterday that Ankara is ready to join the Balkan talks once certain "tactical is*sues" have been resolved.*

In what was seen as a bid to woo full Turkish participation Mr Andreas Papandreou, the Greek Prime Minister stressed the importance of discussing issues of general region*al co-operation* along with de-nuclearisation, in a speech opening the conference yesterday.

A government spokesman also thanked Ankara for showing "good faith" by sending observers to this week's meeting.

In his speech, Mr Papandreou painted the Athens conference as an extension of the East-West dialogue beginning in Stockholm this week. He said it was a "happy coincidence" that the Stockholm and the Athens talks were starting at the same time.

But the Balkan nuclear-free zone initiative is of considerable domestic political importance to Mr Papandreou. *The Prime Minister* is using the initiative to counterbalance opposition to foreign policy decisions such as the signing of a new bases agreement with the U.S.

Glemp 'would accept' Soviet invitation

POLISH Roman Catholic Primate Cardinal Jozef Glemp said yesterday that he would accept an invitation to visit Moscow, but a formal offer had not yet been made.

Cardinal Glemp, who spoke to journalists on arrival in Rome for talks with Pope John Paul, was commenting on reports that Patriarch Pimen of the Russian Orthodox Church planned to invite him later this year.

Vatican sources have suggested that Cardinal Glemp might ask Moscow to allow him to visit predominantly Catholic Lithuania as part of a trip to the Soviet Union.

Cardinal Glemp said negotiations between the Polish Government and church to establish full diplomatic relations between Poland and the Vatican were going well, although he could not say if relations would be established this year.

An informed Polish Vatican source had said before Cardinal Glemp's arrival that the Polish church and the Vatican expect diplomatic relations to be established by the end of the year.

Poland would become the first Warsaw Pact country to have full relations with the Vatican. Yugoslavia is currently the only Eastern European country with an ambassador to the Holy See. Agencies

GM boost in France

BY PAUL BETTS IN PARIS

FORD and General Motors, the two big Detroit carmakers, consolidated their position on the French automobile market last year with GM showing another particularly sharp rise in registrations.

Ford remains the leading foreign marque on the French market. The U.S. group saw its registrations increase by 8 per cent to about 143,500 cars last year compared with 1983. The number two Detroit carmaker had a 7.1 per cent share of the French car market last year, which remained strong in 1983 with registrations topping the 2m level for the second consecutive year.

Although Ford continued to consolidate its position on the French market, GM, whose cars are sold mainly under the Opel marque in France, saw its sales leap 55 per cent last year compared with 1982. GM's French registrations totalled about 80,000 cars, giving the U.S. carmaker nearly 4 per cent of the domestic French market.

Denmark's coalition fails to gain seat

By Hilary Barnes in Copenhagen

DENMARK'S four-party minority coalition failed to gain the extra seat it had hoped for as a result of the *recounting of votes cast in* last Tuesday's general election. This means that the Government will be unable to obtain majorities for controversial legislation.

Mr Poul Schlueter, the Prime Minister, will contact the leaders of other main parties this week to try to *work out a formula which will* guarantee the passage of the 1984 Finance Bill later this month.

The Government of Conservatives, Liberals, Centre Democrats and Christian People's Party won 76 seats in the 179-strong Parliament and has the support of the 10 Radical MPs on economic policy.

It had hoped that a recount would switch a seat from the Social Democrats to the Liberals, and had looked to find a majority for the Finance Bill through an agreement with the four MPs representing Greenland and the Faroe Islands.

Mr Schlueter . . . talks with opposition

The election was caused when the Social Democrats and the anti-tax Progress Party combined to vote against the Finance Bill when it was first presented in December.

Mr Mogens Glistrup, founder of the Progress Party, who was re-elected to Parliament while serving a *three-year prison sentence* for tax fraud, was released from jail yesterday after his election was formally verified

Last Thursday he tried to *leave the open prison where* he is serving his sentence on the grounds that he was entitled by *parliamentary* immunity to go free. He was restrained by warders.

***He is now calling* for charges of treason to be brought against nine people who were responsible for holding him back.**

***As soon as the new Parlia*ment meets, however, members are expected to decide that Mr Glistrup is unworthy to take his seat and he will be sent back to prison.**

Industrial investment to oust exports as key French stimulus

BY DAVID HOUSEGO IN PARIS

INDUSTRIAL INVESTMENT is expected to take over this year from exports as the main stimulus for the French economy according to still unpublished forecasts within the French Government,

Since the second quarter of last year exports have been growing in volume terms at about 8 per cent a year and have provided the only positive contribution to the expansion of *real GNP. The growth in* exports have been mainly to the major industrialised countries reflecting the competitive edge that France was given by last year's devaluation of the franc and the appreciation of the dollar.

French officials now expect this pace of growth to slow *down sharply* from the middle of this year and to narrow to an annual rate of 2 per cent to 3 per cent by the end of the year.

This deceleration is seen as being due because of the inevitable loss of momentum in the present export drive; a more cautious French view of the prospects of a continuing world recovery; and a loss of competitiveness in French goods because France's inflation rate is higher than that of her major competitors.

Implicit in these assumptions is that France will try to put off as long as possible any depreciation of the franc within the EMS which would add further to the cost of servicing foreign debt.

But the pessimistic forecast over the trend of exports is offset in the government's analysis by a much more optimistic view *than most private* forecasters of a pick-up in industrial investment.

The government's view is that industrial investment will rise this year in real terms at an annual rate of between 3.5 per cent and 4.1 per cent. This reflects both the higher levels of investment in the newly nationalised industries and, more importantly, a sharp increase in private investment as a result of new export opportunities and growing business confidence.

The rise in industrial investment is seen as offsetting the continuing investment decline in the construction industry and the traditional public sector, *including rail and electric power.*

The government's gamble is that the increase in industrial investment will be sufficient to *offset the slow-down in exports* and thus leave the growth in real GNP marginally positive *for the year.* Both private consumption and current government expenditure—the other two main elements of GNP—growth will be stagnant or will decline.

Government eases prices formula for oil products

BY PAUL BETTS IN PARIS

THE FRENCH Government will make a significant concession to the country's oil industry next month when it stops artificially calculating the value of the U.S. dollar below its real trading rate for the purpose of France's controversial oil products price-fixing formula.

The decision, confirmed by senior Government energy offi*cials, reflects* President Francois Mitterrand's New Year commitment to economic deregulation and to the process of freeing of industrial prices in France.

M Jacques Delors, the Economics and Finance Minister, also recently said that the Goverment's aim was to deregulate as much as 70 per cent of industrial prices in France by the middle of this year. However, *officials of his own ministry* are sceptical that this ambitious target can be *achieved so* quickly, if at all.

The Government's decision to fix artificially the price of the dollar below its trading value has been the biggest bone of *contention between* the administration and the French oil refinery industry. The Government started to tamper last summer with the way the dollar is calculated in its oil products price fixing formula. The intention was to hold down petrol and other oil product prices in France as part of the anti-inflation campaign.

In spite of this intervention, however, the Government failed to keep down the rate of consumer price inflation last year at its revised target of 8 per cent.

The main French oil refiners, who include Total, Elf-Aquitaine, Esso, Shell, British Petroleum and Mobil, have been campaigning fiercely against the artificially lower dollar prices in the formula.

The industry expects to lose FFr 12bn (£1bn) this year and the companies blame in large measure the dollar aberration *in the formula for a sizeable* portion of these losses.

The dollar is currently calculated at FFr 8.15 for the purpose of the formula, compared to its close in Paris of FFr 8.59 yesterday. The oil companies warned the Government that they would have to review their refining and products strategies unless the *aberration was* abolished.

From the middle of next month, the dollar will be calculated on the basis of its average *trading price the* previous month.

Portugal has $65m current account surplus

By Diana Smith in Lisbon

PORTUGAL had a $65m current account surplus in the third quarter of 1983. It was the first in years and compared with a $516m deficit for the same period of 1982.

The first nine months of last year showed a deficit of $1.32bn, but this is a marked improvement on the $2.7bn figure a year earlier.

Figures for the full year are not available but imports are known to have continued their decline under pressure from stringent austerity measures. The authorities believe that the current account deficit will be less than the $3bn target set by the International Monetary Fund. Senior officials expect a deficit in the $1.7bn-$1.8bn range.

The accumulated visible trade deficit of $2.48bn for January-September 1983 compared favourably with the $4.8bn deficit for the same period of 1982. Imports slid to $5.8bn against $8.9bn.

Exports improved steadily in dollar terms, growing by 11.2 per cent at the end of the third quarter compared to 1982. The most substantial growth was in traditional sectors like textiles and clothing (up 27.5 per cent), and wood or cork products (up 13.5 per cent). Mineral and metal products, newer types of exports for Portugal, also improved.

There is some concern among senior economists about the sharp drop in investment caused by the austerity measures and about the time it may take to stimulate a depressed economy once the most rigorous part of the austerity programme ends this summer.

● The government is shutting down Gelmar, the state-owned fish distribution company whose losses total more than $10m. The company, formed in the early 1970s, was taken over in the 1975 revolution by workers who proved unable to run it competitively.

Gelmar is the first debt-ridden public sector company to be shut. A decision avoided by previous governments for fear of political repercussions has brought the present Government only muted union protest.

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Finnish economy outpaces rivals, says OECD report

BY KEVIN DONE, NORDIC CORRESPONDENT IN STOCKHOLM

DESPITE SLOWER growth in *1981 and 1982 the Finnish* economy is continuing to outpace most other countries in Western Europe and Finnish gross domestic product (GDP) is expected to expand by as much as 3.2 per cent this year according to the latest economic survey of Finland published today by the Organisation for Economic Co-operation and Development.

However, the study says that Finland's performance in keeping down inflation has been disappointing.

The rate of inflation has deteriorated in contrast to many other western countries, where inflation has been fall*ing, and the OECD lays* the blame for higher prices firmly on the 1982 devaluations and Finland's expansionary fiscal and monetary policies.

By late last autumn Finnish consumer prices were rising by 9.1 per cent a year, clearly faster than the overall rate for the OECD of 5.2 per cent and the rate prevailing in the European OECD countries of 8.4 per cent.

In the past two years the initial *impulse for higher* domestic inflation has shifted from the "open" to the non-competing "closed" sector of the economy, says the report.

The change poses "an obvious threat to the competitivity of export sectors where productivity and international price movements determine the scope for wage increases," claims the OECD.

Inflation has been a perennial problem in Finland, and the increase in prices continues to cloud the outlook over both the short and medium terms.

External cost pressures are expected to ease, but the OECD *says that the outcome of the* wage round will be crucial if the Government is to realise its official target of bringing inflation down to 6 per cent by the end of 1984.

"Durable results can only be achieved if the authorities pursue more determined non-accommodating fiscal and monetary policies," says the study.

The OECD admits that Finnish economic policy has traditionally placed more emphasis on industrial expan*sion* than on price stability, and the industrial transformation of the country has occurred rapidly.

Fiscal and monetary policies *have* been used counter-cyclically to bolster activity and this has been reflected in an unexpectedly small rise in unemployment, particularly at a time when returning workers—chiefly from Sweden—have continued to add to the labour supply.

OECD economic indicators suggest that activity in Finland will remain relatively buoyant over the coming months. Prospects to the end of 1984 are dependent to an unusually large degree on developments in Finland's main western markets, however, given the more restrictive setting of Finnish budget policy and an expected decline in exports to the Soviet Union, which accounts for about a quarter of Finnish foreign trade.

هكذا من الأصل

Nigeria to press for increase in Opec production quota

BY MICHAEL HOLMAN IN LAGOS

MR FESTUS MARINHO, who was reappointed last week as managing director of the state-owned Nigeria National Petroleum Corporation (NNPC), has left Lagos on a tour of member states of the Organisation of Petroleum Exporting Countries (Opec) during which he is expected to press Nigeria's case for an increase in its production quota.

Mr Marinho, who held the post under the last military regime, will repeat assurances already given by Maj-Gen Mugammadu Buhari, the country's military leader, that Nigeria will remain in Opec.

Nigeria's case for an increase in its oil production quota, which stands at 1.3m barrels per day, has already been submitted.

Industry officials, however, expressed little optimism about a successful outcome, given the state of the world oil markets.

Meanwhile, Gen Buhari is expected to announce appointments to the 18-member federal executive council (Cabinet) tomorrow. The selection has taken longer than expected.

It was due to be announced last week, and the delay is attributed to difficulty in finding candidates willing to serve in an administration which faces an exceptionally difficult year, and whose past records met the standard of integrity set by Gen Buhari.

Civilians had been expected to occupy two-thirds of the posts. It now seems that military men will fill half the positions. Likely candidates include Brig Mohammed Magoro, a former federal commissioner (Minister) for transport in the last military regime, and Maj-Gen Mamman Vatsa. Both are members of the country's Supreme Military Council.

In an unprecedented move, ment, the daily Punch newspaper yesterday devoted its entire front page to an outspoken editorial on the new regime's failure to purge the country's police force.

Its senior officers have been accused of responsibility for the apparent ease with which wanted senior officials of the ousted administration of former President Shehu Shagari have slipped out of the country.

Richard Johns adds: Two executives of the British National Oil Corporation involved in oil trading and supply are holding consultations with petroleum officials in Lagos. The visit is said to have been arranged before the revolution.

Ras al Khaimah oil flows

BY RICHARD JOHNS

RAS AL KHAIMAH, one of the seven members of the United Arab Emirates, has become an oil producer in its own right with output starting from its off-shore Saleh field operated by Gulf Oil.

Initial production is at the modest rate of 5,000 barrels a day from the first well which has been brought on stream in less than a year. The completion of two more wells will raise output to 30,000 b/d.

The field is 26 miles from the coast and the development includes a moored storage tanker.

Ras al Khaimah National Oil Company has a 50 per cent share in the venture in partnership with Gulf (25.23 per cent), International Petroleum (8.66 per cent), Overseas Petroleum and Invetsment Corporation (10.61 per cent) and Wintershall (5.5 per cent).

Two die in Druze shelling of E. Beirut

By Nora Boustany in Beirut

RESIDENTS of mainly Christian east Beirut took shelter yesterday as Druze gunners peppered the area with shells and rockets.

Security officials said two people were killed and seven injured in shelling which took the area by surprise.

Druze leaders said that some of their villages, such as the mountain resort of Sofar, about 20 kilometres east of Beirut, had been hit by artillery from Christian militias.

The violence yesterday followed a three-hour closure of Beirut international airport on Sunday and retaliation by U.S. marines and American warships against gunmen around the marine base. It was the first time that the vessels anchored off the Lebanese shore had fired in a month.

In statements published yesterday, Mr Chafik al Wazzan, the Prime Minister, said Lebanon would not ratify the May 17 accord with Israel and was considering its cancellation. "I say as a responsible official that we will not ratify this agreement."

Mr Wazzan was quoted as saying that Lebanon, Saudi Arabia and Syria "were seeking ways to bypass the May 17 agreement." If Israel did not end "arbitrary measures" in south Lebanon, the Government might cancel the accord, he added.

● The escalation in the fighting dragged the value of the Lebanese pound to an unprecedented low against the U.S. dollar. The pound sank to L£5.97 to the dollar, which prompted intervention by the central bank.

Antoine Chader, the head of the Lebanese bankers' association, said people were panic-stricken in their rush on the U.S. dollar.

Peter Blackburn visits Liberia, where to buy a hamburger all you need is a greenback

An unpredictable American child

"HAVE A coke and a smile," beams a young Liberian footballer from a large billboard at a major junction on the road into Monrovia from the international airport. Further along Tubman Boulevard, named after one of the country's most famous Americo-Liberian presidents, hamburger advertisements beckon the hungry motorist.

Huge though somewhat antiquated Cadillacs and Chevrolets, incongruous in a country beset by petrol shortages, cruise up to Government ministries on Capitol Hill. Three years after a coup led by a group of indigenous non-commissioned army officers violently ended 133 years of Americo-Liberian rule, the U.S. influence in Monrovia is apparently stronger than ever.

This was underlined by the decision last year to resume diplomatic relations with Israel, broken off after the 1973 Arab-Israeli war. Liberia is only the second black African state, after Zaire, to do this. President Doe's visit to Israel last September will be followed by a visit to Liberia later this month by Mr Chaim Herzog, the Israeli President.

Liberia, black Africa's oldest independent state, was founded by freed American slaves in 1847. It has since maintained a special relationship with the U.S.—symbolised not least by the use of the U.S. dollar as its currency. Since the 1980 coup it has remained stable, though unpredictable, politically.

President Samuel Doe reflects the more relaxed mood. The former Master Sergeant has lost the lean and hungry look of his barrack-room days and has difficulty squeezing into the smart three-piece business suits that have replaced his combat uniform. Now promoted to Commander-in-Chief of the Liberian armed forces Mr Doe has also been awarded an honorary degree by the university of Seoul.

The country's finances remain in critical shape. "The problem is that one of the world's weaker economies uses one of the world's strongest currencies," a banker commented. The government is unable to print banknotes to finance its budget deficits. Instead, in 1982 it minted \$20m of \$5 coins. This did not improve confidence in the banking system, however, and will be discontinued.

Officials point out that the new regime inherited a bankrupt economy in 1980. Lavish spending on hosting the OAU summit in 1979 led to the accumulation of heavy debts. Depressed iron ore, rubber and timber markets, which account for over 80 per cent of exports, have turned a traditional trade surplus into an expected deficit.

> The country's finances remain in critical shape. 'The problem is that one of the world's weaker economies uses one of the world's strongest currencies', one banker said.

Exports make up 75 per cent of GDP and their poor performance has caused a real annual 5 per cent decline in GDP since 1980. The new regime's decision immediately to quadruple military and double civil service salaries, though immensely popular, did not improve the country's finances.

In December 1982, Mr Doe was obliged to backtrack and announce 16 to 25 per cent pay cuts to meet a target from the International Monetary Fund of reducing recurrent expenditure by 15 per cent in fiscal 1983. The Government has so far an excellent record in respecting IMF guidelines and is expected to start negotiations soon for a fourth one-year standby credit.

But it is experiencing increasing difficulty in meeting debt service, Government payroll and energy import payments. U.S. and IMF aid has enabled it to fulfil the first two commitments but energy imports have had to be cut, causing severe shortages and discomfort earlier this year as air conditioners and 'fridges stopped functioning and long queues formed for petrol.

The U.S. and IMF have been mainly responsible for keeping Liberia solvent. Together they provided 80 per cent of the \$154m foreign aid Liberia received in 1982.

U.S. aid has risen dramatically since the coup and is now the highest in per capita terms in sub-Saharan Africa, totalling \$72m in 1983 for an estimated 2m population. This compares with only \$8m in 1979—the last year of the Tolbert regime. Some \$32m of U.S. aid last year was for "economic support," mainly debt servicing.

However, officials warn that U.S. aid cannot keep rising. At the same time, net IMF aid will start to decrease as Liberia begins repayments.

But attention now is focused not so much on the nation's finances but on the new draft constitution and the planned return to a democratically elected civilian government in 1985.

An alleged coup plot last November, said to have been organised by former armed forces commander Brigadier Thomas Qwiwonkpa, has given rise to fresh speculation that the planned return to civilian rule will be delayed.

One of the main questions is whether Mr Doe intends to stand as a presidential candidate. The President created a stir on his last birthday when he announced that he was 33—one year older than thought. This means that he will now be able to reach the minimum age requirement of 35 for presidential candidates, leading some cynics to say that return to civilian rule may involve little more than a change of clothes.

Baghdad expects Iranian attack

BAGHDAD—Iraq said today a fresh Iranian offensive in the Gulf war was imminent and repeated a threat to retaliate by attacking Iranian oil installations.

"We will direct destructive blows at Iran's vital interests and sources of financing if it mounts a new offensive against our territories," the ruling Ba'ath Party newspaper al-Thawra said in an editorial.

Diplomatic sources said the paper's threat was clearly directed at oil installations such as Iran's Kharg Island

Reuter

Calm after Sierra Leone riots

BY OUR ABIDJAN CORRESPONDENT

THE STREETS of Freetown, the Sierra Leonean capital, are reported calm after riots last week in which three people are believed to have died and over 60 have been arrested when students and other young people rampaged through the city setting vehicles alight and looting shops.

At least one of the deaths is reported to have been caused by Lebanese shopkeepers defending their property.

The Government responded by closing Fourah Bay College and ordering the 1,500 students to return home. But it has apparently sought to avoid further confrontation by not trying to recover buses hijacked during the riots.

Student demands for better transport to the college located on the outskirts of the city are believed to have sparked off the riots. But they come against a background of food shortages, sharply rising prices and severe economic recession.

Only three months ago students attacked teachers and demonstrated in favour of better conditions. In August, 1981, the country was shaken by serious riots over rice.

The latest disturbances coincided with the opening of the meeting of the ruling All People's Congress Party.

Mr Siaka Stevens, Sierra Leone's 78 year old president, told delegates "the Government will not be held to ransom". However, as a safety precaution the Congress's venue was hastily switched from the centre to the edge of the city.

Pretoria, Maputo begin talks

REPRESENTATIVES of the South African and Mozambican Governments began crucial security talks in Pretoria yesterday, Reuter reports from Pretoria.

After years of hostility, the two said earlier this month that they would hold talks on security and economic affairs.

Pretoria has accused Maputo of supporting the African National Congress, which seeks to overthrow white minority rule in South Africa.

U.S. policy on aviation worries competitive Asian nations

BY CHRIS SHERWELL IN SINGAPORE

FINANCIAL TIMES
AEROSPACE in Asia and the Pacific Basin
CONFERENCE

THE "intrinsic inequality" of the air transport agreement between Japan and the U.S. came in for some harsh criticism yesterday during the opening session of the two-day conference on Aerospace in Asia and the Pacific Basin, organised in Singapore by the Financial Times.

Mr Takayuki Hashizume, managing director with responsibility for international relations at Japan Air Lines, called the agreement "strikingly deficient in terms of fairness and equality of opportunity" and added that the two countries had basic differences over how the aviation industry should operate.

Mr Hashizume also attacked the U.S. Government's deregulation efforts, saying the policy could hardly be called a success. When it remained confined to the U.S. domestic market, he said, Japan had "no business" criticising it. "But we cannot sit idly by when this policy is being shoved on the international market and air services."

According to Mr J. Y. M. Pillay, chairman of Singapore International Airlines, the airlines of the Asia-Pacific region can show others the way to "workable" competition and should not be reticent about explaining how their system works.

Stimulus

The stimulus of competition was just as important as the fast economic growth in explaining the success of the region's airlines. They knew they had to be flexible and self-reliant to satisfy the customer. But there would be a great deal of additional turmoil and misplaced energy before the region's system of competition was taken up by others.

Mr James Leslie, chairman of Qantas Airways, said regulation and control should be confined to agreements on capacity entitlements, and price competition should be allowed to run free. Substantial discounts could stimulate the market in the short term, he added, but there was little evidence that lower price levels on one route expanded the whole market in the longer term.

To Mr Duncan Bluck, chairman of Cathay Pacific Airways, discussing effective international deregulation or liberalisation was an "absolute waste of time" as long as governments owned or partly owned the majority of international airlines.

Likewise, he said, there was no point in considering freedom of the skies, and even rationalisation of air services should be in the hands of airlines rather than governments. As for competition, many airlines already had all they could handle, and effective competition would continue on most world routes.

Mr Knut Hammarskjold, director general of the International Air Transport Association, said that airlines were increasingly concerned by conflicts between national laws when they were applied internationally. The brandishing of anti-trust laws in the international arena was counter-productive, he said, and resolution of the "insidious" problem of protectionism was of the "highest importance."

Better airline results now in prospect should be used to roll back protectionist measures, he said. But it was improbable that governments would relax much of their sovereign control of air transport.

Mr Raghu Raj, chairman of Air India, appealed for greater co-operation between the region's airlines. The major carriers could not continue to grow in isolation. Nor could the less developed airlines expect largesse to be bestowed upon them. Maintenance facilities could be combined, aircraft could be held in common, training facilities and technologies shared and wider financial co-operation begun.

Echoing this theme, Mr Colin Marshall, chief executive of British Airways, said that "one pragmatic scenario for all of us" might be for worldwide airlines to work closely with each other, building and exchanging marketing capabilities to everyone's benefit. But he warned that even in an area as fiercely competitive as the Asia-Pacific region, there would be a considerable regulatory presence over routes and tariffs for some years.

For the International Civil Aviation Organisation, Mr Duane Freer, director of ICAO's air navigation bureau, said that passenger growth in the 33 countries of the Asia-Pacific region could be expected to be 10 per cent annually over the next decade, compared with a forecast rate worldwide of 7 per cnet.

Growth

Freight growth was projected at 11 per cent, against 7.5 per cent worldwide. This trend would increase the region's share of international air transport, from 26.5 per cent at present to 34.6 per cent by 1992.

According to Mr Lim Hock San, director of civil aviation in Singapore, between \$4bn and \$6bn will be invested in airport projects between now and 1990. The 1980s would be a period of cautious development; the 1960s had been a decade of optimism in airport development, fuelled by traffic growth, while the 1970s had been a period of catching up. As for the 1990s, there was a danger that this would be a period of inadequate airport facilities if decisions were postponed while awaiting a rise in actual traffic growth.

Speaking on the development of leisure travel, M Jean-Robert Reznik, chairman of Club Mediterranee in the Asia-Pacific-Indian Ocean region, said that the potential Asian market was immense. But, he said, people expected more than mere satisfaction. The days of mass travel had gone, and people wanted to be pleased and pampered as individuals. Airlines had to take account of this.

BA to expand Super Club class

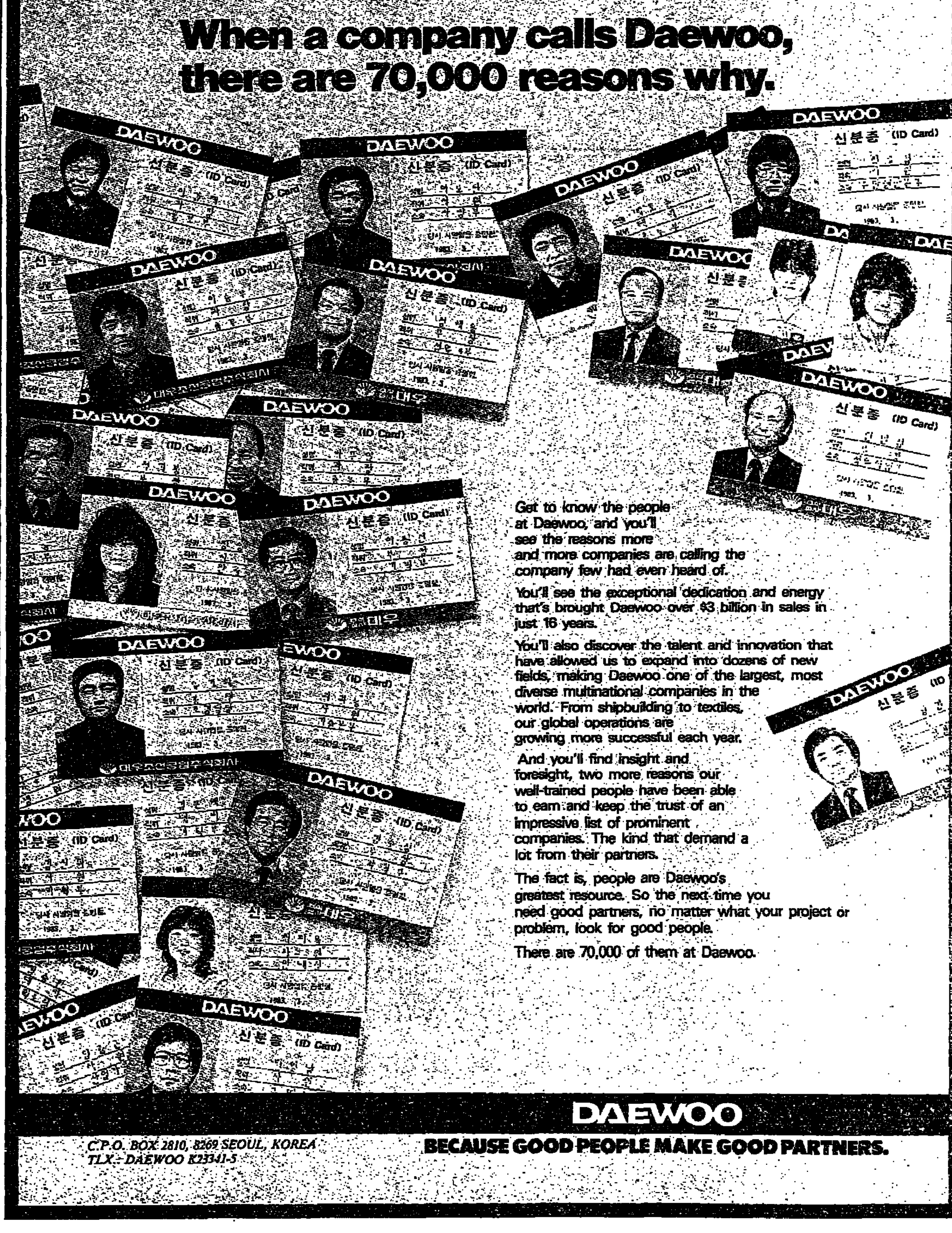
BRITISH AIRWAYS is to expand its Super Club passenger class to all long-haul routes by May 1, Mr Colin Marshall, chief executive of the airline, announced in Singapore yesterday, writes Chris Sherwell.

Speaking at a Financial Times conference on Aerospace in Asia and the Pacific Basin, Mr Marshall said the move was an example of British Airways' support for the upgrading of airline services. He described it as a "major investment for all our intercontinental business passengers the world over."

The Super Club configuration puts six seats across the aircraft cabin behind the First Class area, a reduction on the nine seats from the previous Club class. Super Club presently operates on North Atlantic routes only.

Introduction of the new arrangement will start next month, beginning with Caribbean routes and then extending to Africa, Asia and Australia. Further cabin improvements will also be announced shortly. The new service will not be introduced on domestic or European routes.

A decade ago, Mr Marshall said, airlines tried for the "very last penny of efficacy" from each piece of equipment. Now, he said: "We must look to achieve the very last iota of customer satisfaction."



AMERICAN NEWS

Pastore in key talks over outstanding $100m for Brazil

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

SR AFFONSO Pastore, Brazil's central bank Governor, is to meet leading commercial bank creditors in New York today to map out a strategy for completing the $6.5bn (£4.6bn) loan Brazil is seeking as part of its multi-billion dollar debt rescue package.

Commitments to the loan, which was previously due to be signed yesterday, are still short of the total by about $100m with the main resistance coming from banks in Spain and Latin America. Many other banks which have subscribed to the loan have said their participation is conditional on all the country's creditor banks contributing.

Despite these sticking points, the meeting comes against a background of continuing confidence that the loan can eventually be completed. "We have not given up by a long chalk," said Mr Guy Huntrods, the Lloyds Bank International director, who is deputy chairman of the committee of international banks negotiating the rescue package with Brazil.

Completion of the loan has become slightly less urgent now that the year-end has passed with Brazil having reduced its interest arrears below the critical 90-day level that would have caused accounting problems for U.S. banks.

But there remains some anxiety in the banking community that by dragging out their replies to the Brazilian loan, international banks are creating an adverse climate for the $3.8bn credit now being raised for Mexico.

Also, some senior bankers now admit privately that it will be impossible to force all Brazil's creditor banks to subscribe.

They believe that it will still be possible to sign the loan if subscriptions do reach the required $6.5bn total, and if it is clear to participating banks that no stone has been left unturned in seeking subscriptions from all the country's creditors.

The strategy for obtaining bank's consent to a signing on this basis will be one key subject at today's meeting. The negotiating committee has already advised creditor banks that it now expects the signing to take place next week.

Meanwhile, the creditor banks also want more information from the International Monetary Fund about how the proposed $2.5bn package of credits from Western Governments will fit into Brazil's cash flow this year. This is to ensure that Brazil will have enough money available to keep up interest payments on its $94bn foreign debt once the $6.5bn loan is disbursed.

Grenada airport 'could be operational this year'

BY HUGH O'SHAUGHNESSY

THE CUBAN-BUILT airport at Point Salines, Grenada, could be operational before the end of the year, according to a spokesman for the island's Advisory Council.

LIAT, the regional airline, could be making day and night landings at Point Salines in time for the winter tourist season, according to Mr Devere Pitt, speaking on behalf of the Council. This would be the first time commercial night landings took place in Grenada. The present airport at Pearls is not equipped for night landings.

Plessey, the UK electronics group and principal technical contractor at the airport, has been seeking permission to complete its work at Point Salines which was interrupted by the U.S. invasion on October 25. Baroness Young, the Minister of State at the Foreign and Commonwealth Office who visited Grenada last week, is understood to have pushed the Grenadian authorities for a commitment to complete the work.

Plessey last year denied allegations by the U.S. government that the airport was a military installation. Last week, the former Grenadian prime minister Sir Eric Gairy said it should be named after President Ronald Reagan, while left wingers have called for it to be named after the late Prime Minister Maurice Bishop.

Snorts of indignation greet the greatest show in the Bahamas

BY NICKI KELLY IN THE BAHAMAS

THE MOST popular show in the Bahamas is not one tourists are likely to see. Since hearings opened just over a month ago, the Government's commission on drug trafficking has been playing to a packed house.

The big attraction is the headline cast. Businessmen, bankers, lawyers, Cabinet Ministers and self-confessed drug dealers have been subpoenaed to supply information outlining the depth and breadth of the billion dollar drug traffic through the islands.

Bahamian officials have been linked to drug smuggling for several years, but no action was taken until a news report appeared on the U.S. television network NBC last September. The programme alleged that Sir Lynden Pindling, the Bahamas Prime Minister, and other Cabinet members had accepted $100,000 a month to protect a major cocaine smuggling ring masterminded from a remote Bahamian cay by Mr Robert Vesco.

Mr Vesco is wanted by the U.S. Justice Department in connection with the disappearance of $224m from the mutual fund he controlled. An intelligence report quoted by the programme claimed he had eluded capture since 1971 because of close ties with Bahamian authorities. Mr Pindling has said that Mr Vesco was deported from the Bahamas in 1981.

The Prime Minister denied allegations in the television report and decided to appoint the commission to investigate every aspect of drug trafficking through the Bahamas, including the alleged involvement of high-level officials and the effectiveness of law enforcement measures. He wanted a thorough investigation, he said, whatever the cost to himself or the Government.

The commissioners, headed by Sir James Smith, the retired Chief Justice of the Bahamas, are the Rt Rev Drexel Gomez, the Bishop of Barbados and Mr Edward Willis, a former assistant commissioner of the Royal Canadian Mounted Police. They have approached their job with vigour.

Mr Robert Ellicott, one of two Australian lawyers representing the commission, has said he intends to bring out all the evidence "fearlessly, regardless of the consequences." A former federal judge, his quiet but relentless questioning has unnerved even the most intractable witnesses. Unlike previous inquiries held in the Bahamas, those called to give evidence must testify or risk contempt proceedings.

Until the television allegations Bahamians had tended to ignore the detrimental effects of drug trafficking. Since the beginning of the investigation, however, both the Government and the private sector have been put on the alert.

Mr Paul Adderley, the Attorney-General and Foreign Affairs Minister, has warned that the degree of criminal and corrupt activity caused by the drug trade has become so bad that it threatens to destroy Bahamian society.

Dr Timothy McCartney, clinical psychologist at the state hospital for mental disorders, revealed recently that the use of cocaine had reached epidemic proportions. More than 40 per cent of the population, from primary school students to professionals, were now involved in using or selling cocaine, he said. Drug admissions had increased by 200 per cent in two months.

The Minister of Finance, Mr Arthur Hanna, announced last month that the facilities of the hospital will be expanded to provide specialised treatment for drug addicts, and that a national committee will meet shortly to study the full impact of the problem and recommend types of treatment.

Ironically, the same features that have made the Bahamas such a successful tourist resort and tax haven have proven equally attractive to the drug merchants. Secluded coves and beaches scattered over 100,000 sq miles of water have made it easy to hide the narcotics on their journey northward from Latin America.

The money flowing in from drug smuggling has permeated every sector of the Bahamian economy. U.S. law enforcement authorities contend that bank secrecy laws in the Bahamas are being used by drug traffickers to hide billions of dollars in illegal funds. Nassau businessmen admit privately that the reason why the Bahamas weathered the last recession comparatively well was because of its income from drug trafficking.

Last year local law enforcement authorities confiscated nearly $400m worth of drugs in the islands, including 3,000 lbs of cocaine. The U.S. Drug Enforcement Agency estimates that 10 to 15 per cent of the cocaine and 10 to 35 per cent of the marijuana entering the U.S. comes through the Bahamas.

In the long term the commission may prove a blessing for the islands, sifting fact from fiction and focusing attention on the extent to which the country has been corrupted by a trade tied directly to U.S. demand.

U.S.-SOVIET RELATIONS

Reagan stance 'could launch new era'

BY STEWART FLEMING IN WASHINGTON

Reagan ... at a turning-point?

MR. RONALD REAGAN, the U.S. President, yesterday maintained that his country has now reached what could be an historic turning point from which it could launch a more realistic and businesslike relationship with the Soviet Union.

His speech was billed as a major foreign policy statement on U.S.-Soviet relations. Referring to the period immediately after the Cuban missile crisis in 1962 when U.S.-Soviet relations were at a low point before a subsequent improvement, he said: "More than 20 years ago, President Kennedy defined an approach that is as valid today as when he announced it. 'Let us not be blind to our differences,' he said, 'but let us also direct our attention to our common interests and to means by which those differences can be resolved.'"

Mr Reagan went on: "I believe 1984 finds the United States in its strongest position in years to establish a constructive and realistic working relationship with the Soviet Union."

Maintaining that "we have come a long way in the decade of the 1970s when the United States was filled with self-doubt and neglected its defences while the Soviet Union increased its military might," the President cited several areas where the U.S. is now in a better position of strength to deal with the USSR.

"Strength is essential to negotiate successfully and protect our interests. If we are weak, we can do neither," he said. "Strength is more than military power. Economic strength is crucial and America's economy is leading the world into recovery."

He also underlined his belief that the military build-up which he has been supporting is a factor behind the judgment that the U.S. is in a better position to negotiate. "Our defences are being rebuilt. Our alliances are solid and our commitment to defend our values has never been more clear."

Mr Reagan went on to argue that the recovery he sees in the U.S. position "may have taken Soviet leaders by surprise . . . they have been saying for years that our demise was inevitable." He implied that this had forced the Soviet leadership into a mood of introspection which helped to account for their withdrawal from arms control negotiations.

He conceded that the superpowers' "working relationship . . . is not what it must be" and stressed the importance of constructive dialogue to promote peace. "We must do more to find areas of mutual interest and build on them," he said.

In an effort to underline the flexibility in the U.S. position Mr Reagan said: "We are prepared to discuss the problems which divide us and to work for practical and fair solutions on the basis of mutual compromise. We will never retreat from negotiations. But we insist that our negotiations deal with real problems, not atmospherics."

Calling on the Soviet Union to take the opportunity which is presented, he added: "Now is the time to move from words to deeds." The U.S. "is prepared to meet (the USSR) halfway" in the arms negotiations and will "negotiate in good faith."

Mr Reagan disclosed that last week the U.S. and the Soviet Union "had productive discussions with the Soviets in Washington on improving communications, including the 'hotline'." He suggested that the U.S. "must recognise the gap in American and Soviet perceptions and policy and that therefore objectives must be "modest" at first.

While underlining the importance of the Stockholm European security talks as a way to reduce the uncertainty and potential for misinterpretation surrounding military activities and to diminish the risk of surprise attack Mr Reagan cited Soviet activity in the Middle East, on human rights and in exploiting conflicts around the world as areas where it is necessary to "defuse tensions."

The President made it clear, however, that the U.S. will not lose sight of the underlying ambiguities in the relationship. "We are in a long-term competition with a Government that does not share our notions of individual liberties at home and peaceful change abroad. We must be frank in acknowledging our differences and unafraid to promote our values."

"Co-operation and understanding are built on deeds not words. Complying with agreements helps—violating them hurts. Respecting the rights of individual citizens bolsters the relationship: denying them harms it. Expanding contacts across borders and permitting free interchange of information and ideas increases confidence—sealing off one's people from the rest of the world reduces it. Peaceful trade helps, while organised thefts of industrial secrets certainly hurts."

Defining U.S. policy towards the Soviet Union as one of "credible deterrence, peaceful competition and constructive co-operation," Mr Reagan went on to warn that "if they cannot meet us halfway, we will be prepared to protect our interests and those of our friends and allies."

In conclusion, Mr Reagan said: "If the Soviet Government wants peace, then there will be peace. Together we can strengthen peace, reduce the level of arms and know in doing so we have helped fulfill the hopes and dreams of those we represent and indeed of people everywhere. Let us begin now."

Venezuelan Cabinet announced

By Joseph Mann in Caracas

VENEZUELA'S president-elect, Accion Democratica (AD) leader Dr Jaime Lusinchi, who takes office on February 2, has announced the names of his chief Cabinet members.

Sr Octavio Lepage, a lawyer and party veteran, was named to the top Cabinet post of Interior Minister, a job he held under the Government of President Carlos Andres Perez (1974-79).

Foreign Minister will be Sr Isidro Morales Paul, an academic.

The chief economic ministers who will have to confront Venezuela's profound economic problems are: Sr Manuel Azpurua, a businessman, named to the Finance Ministry; Sr Hector Hurtado, a former minister, named Minister of Development; Sr Luis Raul Matos Azocar to be Minister of Planning and Sr Felipe Gomez Alvarez, Minister of Agriculture.

Other important posts include those of Energy Minister, who will be a longtime oil specialist, Sr Arturo Hernandez Grisanti, and the Presidential Secretariat chief will be former foreign minister Sr Simon Alberto Consalvi. Gen Humberto Alcalde Alvarez was reappointed Defence Minister.

WORLD TRADE NEWS

Wool secretariat aims for growth in textile markets

BY ANTHONY MORETON, TEXTILES CORRESPONDENT

TWO MAJOR changes in the organisation of the International Wool Secretariat were announced in London yesterday by Dr John McPhee, who took over as managing director of the organisation at the start of this month.

Mr Ian Graham, director of research and development at the IWS's technical centre in Ilkley, West Yorkshire, is to add responsibility for central marketing, fashion styling and technical services to his portfolio. He will have the title of director, technical and marketing services.

Mr Egon Kolsch, area director for Western Europe, has been promoted to the new post of director, international marketing. The aim, Dr McPhee said, was to ensure a more co-ordinated multinational approach to the promotion of wool as a major fibre.

"We are aiming to get wool into the growth sectors of the textile market." Dr McPhee stated.

"Wool is the world's premier textile fibre and it is essential we should have a flexible organisation which can produce the goods that will appeal to the younger buyers — those people between 25 and 35 who have the money to spend."

Dr McPhee added that other fibre producers were trying to blur the difference between themselves by playing up their own characteristics on grounds of aesthetics, general comfort and warmth.

The consequence of the grouping of greater control under Mr Graham in Ilkley is that between 30 and 40 of the London-based staff will move to Yorkshire.

The 100-strong branch of the IWS, which shares the same office in London, will not be affected, but as a result of staff moving out, the IWS will be looking for a tenant for two or three of its eight floors.

German, U.S. fibre optic bid may pre-empt rival

BY JOHN DAVIES IN FRANKFURT

A WEST GERMAN company, Wacker Chemitronic, is seeking to team up with American Telephone and telegraph (AT & T) of the U.S. on a plan to produce cable for fibreoptic telecommunications at a factory in Bavaria.

The proposal has added to uncertainty surrounding a rival plan by West German cable companies to join forces in fibreoptic manufacturing in West Berlin.

Wacker Chemitronic is a sub- the Federal Cartel Office that it feels it might be disadvantaged if the other companies are permitted to pool their resources.

Wecker Chemitronic is a subsidiary of Wacker Chemie, a chemical company 50 per cent owned by Hoechst, the big West German chemical group, and 50 per cent by the Wacker founding family.

The company said yesterday it was negotiating with AT & T over the possibility of producing fibreoptic cable under licence from AT & T at a factory in its headquarters town of Burghausen, on the Austrian-Bavarian border.

If the negotiations did not succeed, it would consider turning to Sumitomo of Japan, which was ready to co-operate in such a project.

The demand for fibreoptic cable is expected to build up in West Germany in the next few years as the Bundespost, the postal and telecommunications authority, moves ahead steadily with plans for laying more of it.

To meet Bundesposts's needs, a factory has been planned for West Berlin by a consortium of Siemens, AEG, Kabelmetal, SEL and PKI, a subsidiary of Philips.

Wacker's determination to press ahead in this field has added to doubts about whether the Cartel Office will give the go-ahead

The Cartel Office said yesterday that it was scrutinising their proposal but might not reach a conclusion for about two months.

Portugal shakes up its trade policy

By Diana Smith in Lisbon

PORTUGAL'S FOREIGN trade policy is due for a shake-up in 1984. Legislation steered through Cabinet by a doggedly liberal trade minister, Sr Alvaro Barreto, is ending years of arbitrary bureaucratic controls of imports.

A decree law has been approved adapting import structures to the General Agreement on Trade and Tariffs' system of vigilance and safeguards.

This, according to Sr Barreto, will shift Portugal from an archaic, disruptive system of arbitrary import controls to practices in line with international standards.

If future experience proves that specific industrial sectors are genuinely harmed by imports, safeguard clauses will operate — but the rules will be clearly stated and applied.

In recent years, import controls have been wielded arbitrarily behind the scenes — under fierce protest from Portugal's main trading partners — through the Import Registration Bulletins (BRI) which must be granted before goods can be imported.

Under the previous Government, BRIs for raw materials, machinery or equipment were delayed deliberately and sometimes interminably to reduce imports or protect industry from competition from imported goods or materials whose superior quality and better price could not be matched locally.

The new legislation converts the BRIs into merely statistical documents. Last year, it could take six months or more to get a BRI legally—procrastination that encouraged smuggling or corruption when importers took to "buying" bulletins under the counter.

The new legislation anticipates compulsory reduction of the role of BRIs on accession to the EEC; according to Sr Barreto, it was essential to alter legislation now so as to prevent violent shock for hundreds of small companies used to a semi-captive domestic market.

Import controls, plus an economic slump in 1983, caused a 15.5 per cent drop in imports in dollar terms between January and October last year.

PLAN TO SPEED SCANDINAVIAN LINKS WITH CONTINENT

Volvo to join £6.5bn road-rail talks

BY DAVID BROWN IN STOCKHOLM

AN INTERNATIONAL consortium led by Volvo is to discuss with European Governments an enormous road, rail and bridge project worth up to Skr 75bn (£6.5bn) to speed surface communications between Scandinavia and the Continent.

The group, made up of 16 top European industrialists led by Mr Pehr Gyllenhammer, chief of the Swedish automobile group, and including Mr Giovanni Agnelli of Fiat, M Bernard Hanon of Renault, Herr Dieter Spethmaan of Thyssen of West Germany and Mr Ian McGregor of Britain's National Coal Board, is to meet political leaders and top government officials to present plans later this month.

The plan is the first to emerge from the "European Initiative," formed late last April to sponsor massive industrial projects aimed at regenerating European industry.

The Scandinavian Link would involve a super-highway and high-speed, rail-speed connection originating in Oslo, stretching down the west coast of Sweden through Gothenburg, crossing Denmark over bridges spanning the Öresund and Stora Baelt, and continuing south to Paris via Hamburg. The project would take an estimated 10 years or more to build.

Some of the projects discussed by the group earlier—including a cross-channel tunnel—have met with some scepticism.

Mr John Harvey-Jones, managing director of ICI of the UK and one of its original members, left the group last December. "I am doubtful about the prospects that any of these large projects will be realised," he told a Swedish newspaper.

Plans to build permanent road and rail links across the sound separating Denmark and Sweden, now served solely by ferry connections, have been under discussion for over 80 years. There is disagreement over where it should be built, as well as opposition from environmental groups and agricultural lobbies.

The Danish Government has not yet finalised a plan for the future development of its internal transport, including discussions for a bridge to link the island of Sjaeland with Fyn in the mainland, and the Swedish Government is not expected to act until this discussion is finalised some time next year.

The bridge proposals have until now also been hampered by budget imperatives. The industrialists, who oppose Government market intervention and subsidies, would help finance the project through tolls.

"There is 100-per-cent support from all the leading financial institutions and financing should be no problem," said a Volvo official. However, he continued, "the plan is clearly subject to political decisions."

IBM in Indian computer tender

BY JOHN ELLIOTT IN NEW DELHI

INTERNATIONAL Business Machines is tendering to supply its first mainframe computers to India since it shut its operations in the country after a battle with the Indian government over company ownership laws six years ago.

It is believed to be a front runner to supply three mainframe computers costing up to $6m (£4.2m) to the government-owned Computer Maintenance Corporation for an inter-city computer network called Indonet.

It has also tendered for an Oil and Natural Gas Commission project costing around $12m. Both bids have been submitted by its main New York office.

These tenders mark a major change of policy by both IBM and the Indian Government which appear to have decided they need each other's business.

India is developing into a major market for computers which it could be commercially unwise for IBM to ignore. India needs IBM technology if its computers are to be compatible with the rest of the world and if it is to build up expertise to be a major worldwide exporter of computer software.

IBM may also tender to supply computer hardware costing $50m to $60m for a new national rail communications centre. It was considering tendering for this a year ago, but the project has been delayed.

IBM pulled out of India in 1977-78 since when it has done no business in the country and has not tendered for any new contracts.

It was not prepared to obey the country's foreign ownership laws and dilute total ownership of its local subsidiary. Now it only has a small representative office in Delhi. All maintenance of its machines is carried out by the Computer Corporation, set up specifically for this purpose.

IBM's competitors for the Indonet project are Digital Equipment Corporation and Burroughs of the U.S. On the oil and natural gas project, the other tenderers are believed to be Control Data, Bull, Amdal of the U.S. and Tata-Elxi of Singapore which is part Indian-owned.

UK imports of colour TV sets up 48%

By Guy de Jonquieres in London

BRITAIN'S IMPORTS of colour televisions surged 48 per cent by volume and 44 per cent by value in the first 11 months of last year. The rise was due chiefly to a fourfold increase in shipments of sets made in West Germany, which has overtaken Japan to become the largest television exporter to the UK.

According to government trade figures, total colour television imports to the end of November rose to 1.24m sets worth £183.3m on a cif basis, from 840,000 sets valued at £127m in the same period of 1982.

Estimates by the British Radio and Electronic Equipment Manufacturers' Association (BREMA) indicate that imports' share of the total UK market, including sets equipped to receive teletext, rose to 35 per cent in the first three quarters.

This compares with 31 per cent in the same period of the previous year. According to BREMA's figures, which are based on industry shipments not retail sales, the growth of imports was strongest in the first half of last year and tailed off in the third quarter.

BREMA estimates that the overall UK market grew by 30 per cent in the first three quarters of last year.

Fiat in Pakistan tractor deal

BY ALAN FRIEDMAN IN MILAN

THE FIAT group is to enter a joint venture with the Government of Pakistan to produce 15,000 tractors a year at a new plant being built by Fiat Trattori, the group's tractor-making subsidiary.

The joint venture is aimed at completing a Pakistani tractor construction facility by the end of this year. At present, Fiat Trattori is supplying Pakistan with technological know-how and components.

The Fiat tractor subsidiary, which has been involved in producing agriculture machinery for Pakistan for the past 10 years, is to help the Pakistan Government to develop its own manufacturing capacity for 50 and 64 horse-power tractors.

● Another Fiat subsidiary — Fiat Engineering — said yesterday it will form a joint venture with Unicem, the Italian cement and construction group, in order to produce and supply ready-built cement plants for overseas markets.

The Fiat-Unicem deal, which will involve both technological and financial collaboration, is designed to provide Governments and private operators with fully constructed plants which will manufacture basic building materials.

BAe wins commuter airliner order in U.S.

By Lynton McLain

BRITISH AEROSPACE has won a further large order for civil aircraft in the U.S., with an order for 12 Jetstream-31 commuter airliners worth over £20m from Metro Airlines of Houston.

This is the largest order so far received by British Aerospace for its 19-seat Jetstream 31 aircraft. The order comes on top of the recent order from Pacific Southwest Airlines for 20 BAe-146 airliners worth $300m (£214m).

The latest order was welcomed especially by the company because Metro Airlines will use the Jetstream in conjunction with Eastern Airlines to operate commuter and connecting air services into Eastern Airlines' Atlanta hub.

The aircraft will operate in the colours of Eastern Airlines and will carry the name "Eastern Metro Express."

Eastern Airlines has contracted Metro Airlines to provide this service, but had no influence on Metro's choice of aircraft.

British Aerospace won the order in competition with established U.S. aircraft manufacturers. Fairchild offered its twin-engine Metroliner and Beech offered its 1900 aircraft.

Neither aircraft has the same head room as the Jetstream, according to British Aerospace, and this was a crucial factor in Metro Airlines' decision to order the British aircraft.

Also, the Jetstream in service with Atlantic Airlines of North Carolina has shown an average despatch reliability figure of 99 per cent, compared with an airline norm of 95 per cent.

A total of 36 Jetstream airliners are on order with eight airlines in the UK, U.S., Germany and Australia. The Prestwick factory of British Aerospace has been authorised by the company's main board to build a total of 70 Jetstreams, to meet current orders and to keep a "strategic stock."

● Continental Airlines of the U.S. has signed an agreement with British Caledonian Airways to become its general sales agent in the UK and Europe.

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UK NEWS

Inmos may raise up to £15m in search for private funding

BY GUY DE JONQUIERES

INMOS, Britain's state-backed microchip manufacturer, is expected to consider later this month a proposal to seek £10m–15m in private financing by placing shares with selected UK institutions.

It hopes to be able to make the placement before the end of March. The company has been encouraged by initial soundings among unnamed City of London institutions, although detailed terms have still to be negotiated.

Other options for injecting private capital into Inmos, including link-ups with one or more corporate investors and a stock exchange flotation, are also possible.

The proposals reflect both Inmos' need to raise more funds, on top of the £100m, in state support which it has already received, and growing confidence about its prospects in the Government and the British Technology Group, which owns most of its shares.

Inmos was set up in the late 1970s to compete in the world market for mass-produced microchips. It has two plants, one in Colorado in the U.S. and the other in South Wales, which is intended to become its main production centre.

The Government approved a further £15m of funding for the company a year ago, but insisted that it must seek any financing beyond that from private investors.

The company is believed to have moved into trading profit in the fourth quarter of last year after making a £20.4m loss on turnover of £13.7m in 1982. The improvement was due to the recent surge of demand in the world chip market and to the solution of production problems which dogged Inmos earlier in the year.

American Telephone and Telegraph's technologies division (formerly Western Electric), which had appeared to be the keenest U.S. suitor recently indicated that it was losing interest.

British Petroleum recently joined the list of UK companies to examine Inmos. Most of the others, including GEC, Plessey, Racal and Sinclair Research, are already heavily involved in electronics.

BRITISH GAS ONSHORE DISPUTE SETTLED

Minister speeds oilfield sale

BY IAN HARGREAVES IN LONDON

THE LONG-RUNNING saga of British Gas's forced sale of its £160m stake in the Wytch Farm oilfield in Dorset is as good as over, after direct intervention by Mr Peter Walker, the Energy Secretary.

Mr Walker was called upon to umpire a dispute between British Gas and the buyers about who should carry the risk if Dorset County Council refuses planning permission for further drilling on the site. He has ruled in favour of the buyers – the Dorset Bidding Group.

This means that the group, whose members are Tricentrol (35 per cent), Premier Consolidated (25), Carless Capel Leonard (15) Clyde (15) and Goal (10), is fully protected against a negative planning decision. If permission does not come through, the group could ask for its money back.

In recent weeks, it had become clear that the only major outstanding question concerned planning permission for a development which will call for extensive drilling on National Trust land on the Studland Peninsula, which is considered an important area for wildlife.

The complicated formula now being written into the agreement calls for the owners of the field – British Petroleum, the new operator, plus the Dorset group – to pursue speedily a planning application through the entire appeals procedure to the Environment Secretary if necessary.

Details of the deal, which has proved formidably complex, are now being wrapped up by lawyers. It will then go to the British Gas board and to the Government for final approval.

None of the participants in the deal would comment yesterday on the likely timing of completion.

The sale involves three stages: a downpayment of £80m, followed by a £80m second stage when production reaches 20,000 barrels a day. A third stage, which runs until depletion, provides for a profit-sharing arrangement, in which British Gas will retain a stake.

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Fears over sale of BT

FINANCIAL TIMES REPORTER

LORD WEINSTOCK, managing director of GEC, warned the Government yesterday that it was in danger of creating a huge private monopoly with its plan to privatise British Telecom (BT) later this year.

He said there were fears that BT might enter the manufacturing side of the telecommunications industry, and as the Bill for privatisation now stood Parliament would not be able to intervene to change the terms of its licence.

Lord Weinstock appealed in the House of Lords for all-party support for an amendment he intends to promote which would ensure adequate parliamentary scrutiny of BT's licence.

He argued that the main effect of the Bill would be to convert a huge state monopoly into a private sector one which would be assured of retaining 93 per cent of the telecommunications market until at least 1990.

Labour nurses doubts over Benn selection

BY PETER RIDDELL, POLITICAL EDITOR

LABOUR PARTY leaders were yesterday making the best of the selection of Mr Tony Benn, the left-wing former Labour Cabinet minister as the party's candidate in the forthcoming Chesterfield by-election.

They pledged their support despite private reservations that his candidacy will distract attention – and may even undermine – their efforts to rebuild the party's political fortunes.

Mr Neil Kinnock, the leader, whose task is to restore Labour's credibility after the intense infighting recently over left-wing extremism within the party, has pledged support to ensure Mr Benn's return to Westminster.

But there is, nevertheless, concern within the party that Mr Benn, who will be defending a "safe" Labour majority at Chesterfield, might again build up a left-wing power base in the House of Commons.

Labour business managers are now facing a dilemma of when to call the by-election which has been caused by Mr Eric Varley's decision to leave politics for business. Mr Varley yesterday formally resigned his House of Commons seat.

There is now a debate among the Labour leadership about whether to have a short campaign which would prevent an anti-Benn bandwagon developing, or whether to wait until after the budget, which is now almost certain to be on March 13, in the hope that this would damage Conservative chances.

Mr Benn lost his parliamentary seat at the last general election. The Bristol constituency which he had represented for 33 years disappeared under boundary changes and he failed to secure the new seat he fought after that revision.

Westminster's closed society, Page 10

Retail sales spurred by borrowing

RETAILERS sold 5½ per cent more goods last year than they did in 1982 according to provisional figures published yesterday by the Department of Trade and Industry.

This jump in the volume of business was financed to a large extent by increased consumers' borrowing on hire purchase or from banks and building societies. The sales boom has been the main force behind the economic recovery so far.

However, this rise in borrowing has pushed total net savings (savings less borrowing) to its lowest level for several years in relation to disposable income.

In the last three months of 1983 retail sales volume is estimated to have been 6 per cent higher than in the same period of 1982.

Lex, Page 14

● **Budweiser**, the best-selling beer in the U.S., may be launched this year in the UK mass market by the brewery company Watney, Mann and Truman. Talks are being held on a possible licensing agreement.

● **THE QUEEN** and other members of the royal family have been awarded a 4 per cent increase in their state allowances which this year will total £5m. The Royal Trustees say the increase "may just be adequate to maintain existing standards through 1984."

● **TRUSTHOUSE FORTE**, the hotels and catering group, is committed to three further years of sponsorship of the Prix de l'Arc de Triomphe, Europe's richest horse race, at an estimated cost of £150,000 a year.

● **MARCONI RADAR** has won a further order from the Royal Navy for its latest Seawolf anti-missile tracking radar. It brings to £100m the total value of trackers on order for the navy.

● **BUDGET DAY** is likely to be March 13. Official confirmation of the date is expected to be given today in the House of Commons.

● **WORKERS** at 11 Royal Ordnance (arms) factories went on 24-hour strike yesterday in protest at government plans to privatise the plants.

● **SEVERAL** British Airways flights from London, Heathrow, were delayed yesterday in the first of a series of strikes threatened by engineers over a pay claim.

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Yamaichi International (Europe) Assumes a Remarkable New Role -and a New Look

It is just 20 years since Japan's premier securities house, Yamaichi Securities Co., opened its office in London. Today that office has become a wholly owned subsidiary, Yamaichi International (Europe), or YIE, and has taken up a remarkable new role as a financial "composer", orchestrating Japanese and British personnel and ideas towards a place among the top ten investment houses in Europe. With almost 100 staff at their Finsbury Pavement office, Managing Director Hitoshi "Tony" Tanaka is energetically upgrading and "Britannising" YIE with this very ambitious goal always in mind.

Hitoshi "Tony" Tanaka

"We believe," he says, "that this market will become so competitive, with numerous new banks and security firms trying to enter, that the only way to grow is to become a generalist. I mean, keep your original specialisation as the base for your strength, but go on from that to do anything well. In Yamaichi's case, our specialist strength is Japanese business, but now we must move far beyond that. In another three years or so the market might be full, so we have only a short time to qualify."

Yamaichi Securities showed total revenues of US$743.7 million in the year ended September 1983, operating income before tax of US$201.8 million, and net income of US$78.5 million. With assets of US$3.16 billion, it retains its distinction as leader in the Japanese securities field. Now YIE in London is seeking to reproduce that reputation in Europe.

"We are not merely after a British department"

To gain acceptance in London's financial square mile as "a City organisation"—"one of us" rather than "one of them"—YIE has gone all out in the past few months to Britannise itself. "We want," Tanaka explains, "to combine our character and quality as a Japanese firm with what we can expect from being British. We want to learn from the incomparable traditional strength and expertise of the City of London. We are not merely after a 'British department' in YIE, we are really mixing the two things together, merging Japanese and British talent."

Tanaka goes on: *"In fact, our British and* Japanese staffs work next to one another, not at separate desks or on different corridors, so that the interchange and stimulus can be most effective. We want the maximum give and take."

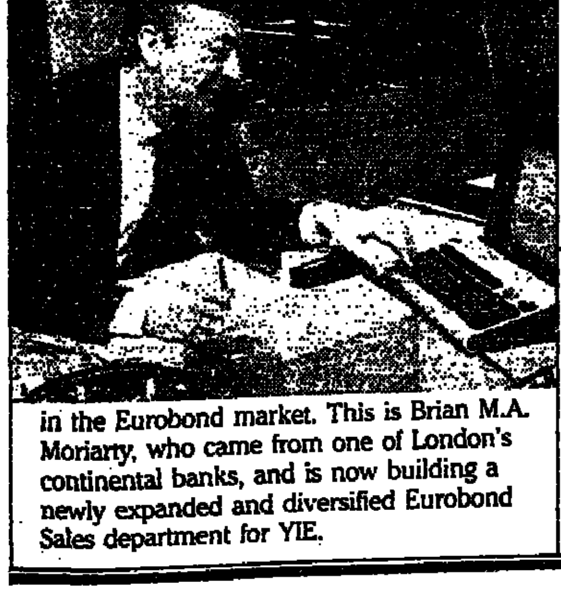
An old London School of Economics man himself, Tanaka has just hired eight British graduates for this new phase of YIE's growth. One was at Birmingham University before going into banking, but the others are all from Oxford or Cambridge, mostly starting straight from their BA.

"Economists?" I asked.

"No, mostly not. We are following the British tradition of using generalists."

In a few months' time these Oxbridge recruits will go to Japan for their orientation at Yamaichi head office. One of them spent eighteen months with a Japanese family, and a second served three years with Kobe Steel before joining Yamaichi.

It took a long time, but YIE also succeeded in recruiting a man with experience



in the Eurobond market. This is Brian M.A. Moriarty, who came from one of London's continental banks, and is now building a newly expanded and diversified Eurobond Sales department for YIE.

The Japanese security houses are traditionally strong in underwriting and placing Japanese equity-linked issues and Yen-risk papers in the international market. In addition, they have demonstrated power in placing Eurobonds with Japanese investors, such as the once-popular zero-coupon bonds and partially paid bonds, which were largely placed in Japan. But the placement of non-Japanese or non-Yen papers was more sporadic because Japanese investors' interest in foreign portfolio investment was irregular, influenced by changing guidelines, largely reflecting the varying strength of the Yen.

— Yamaichi Securities celebrates its 20th year in London —

Merging Japanese and British Talent —The One of Us Concept

by Dick Wilson

A Departure from Tradition

To make a name in this field alongside the giants of the West, a Japanese securities house obviously has to strengthen its placing power outside Japan, but this is not easy. The traditional management system in Japan is based on lifetime employment, and decisions are traditionally consensus, all rather different from practices in Western companies. For this reason, internationalisation or localisation has made slow progress in the overseas offices of Japanese houses. Some have promoted non-Japanese to senior managerial positions in order to meet local legal requirements, but the common practice remains to do things "the Japanese way".

Yamaichi decided to depart from this pattern. It took a year for YIE to elaborate its remuneration and promotion system in such a way as to give a clear picture to local employees about their future career pattern. It has now been made clear that local employees will be promoted according to ability and loyalty, not excluding the level of directorship. They will be trained in Japan—and those who wish to, and qualify, may even be given responsibilities in Tokyo headquarters in the future.

Once this structure was established, YIE approached various British universities, with the results already described. Mr. Moriarty, as chief executive of Eurobond sales, has the ranking of associate director of YIE, and in the restructuring of senior management positions, three other local employees have been made associate directors. These are Mr. R.J. Demeza, responsible for institutional equity sales, Mr. J.C. O'Donnell, corporate finance and syndication, and Mr. J.H.B. Smith, financial operations and personnel. Each of the three has been with YIE for about ten years.

Another example of drawing in local talent is the appointment of one of YIE's long-standing clients, James B. Walker, the Glasgow investment manager and Chairman of Brazil Capital Services, as an outside director to advise on developing new business in the UK.

"We have no legal requirement for a UK director," Tanaka says, "but we want to do more business in Britain and this is a good way to go about it. It is the first time Yamaichi has done this anywhere in the world."

"Jimmy" Walker is 48, Cambridge-educated and involved with Fleming Japan Fund, Scottish Offshore Investors, Eastern Management and many other investment and management companies. He strengthens Yamaichi's ability to attract clients like himself for the company's service, as well as expanding its business scope into new fields.

The Total Information Service Connection

This month YIE's product will be enhanced by its Total Information Service (TIS) coming on line from Tokyo. Faster and more comprehensive information and advice will henceforth be available to London staff and clients. The information of Yamaichi International Capital Management Co., Yamaichi Research Institute of Securities and Economics, and other Tokyo-based arms of the parent company, including such items as data on venture capital management, will hum over the computer line to London.

"London will become the satellite, feeding TIS to Paris, Bahrain, Amsterdam, Frankfurt, Zurich and Geneva," Mr. Tanaka declares. "We consolidate and unify this Europe-Middle East 'consortium' by avoiding duplication of effort. The merit of each office will be maximised, so that it develops its own strong points and distinctive character according to its local market. We will have a particularly strong team here in London for equity and bond trading, or underwriting, for example, and research will be conducted by a Cambridge graduate. Amsterdam will be our active banking funding centre, and so on."

YIE is thus setting an example for Yamaichi's operations elsewhere by introducing a multinational style not commonly found in Japanese companies. The aim is to become a versatile all-purpose house within a few years, handling corporate finance, banking portfolio management, brokering and secondary trading—and to rank as one of the ten really strong international capital market organisations with a comprehensive "department store" service, and with a turnover more than quadrupled by the end of the 1980's.

YIE would remain Japanese-owned, but would employ many more local staff, including graduates. And while Japanese business, its original strong point, would probably remain the single most important item in the portfolio, business unrelated to Japan is expected to rise to more than half.

Expanding Business Horizons and the YIE Image

In recent months YIE has expanded both its Japanese and non-Japanese new issue business. The Euro-yen market will be liberalised in April and YIE expects further new issues expansion.

All this diversification will inevitably produce more competition for the London company. But Mr. Tanaka believes these competitors will eventually become friendly again, cooperating with YIE on various aspects of mutual business.

"Tony" Tanaka's years at the LSE in the "swinging sixties" gave him an invaluable insight into British society and opinion. His choice of young British Oxbridge staff for YIE's next phase of growth shows exactly the right balance between tradition and modernisation, as the reader will see below. And YIE's ventures into the notoriously tricky field of publicity, or "image" setting, have been equally sure-footed. Earlier this year, the company sponsored the annual rugby match between Oxford University and the Stanley's International XV, a notable event in the university sporting calendar. It was the first time these rival teams had sought sponsorship, and YIE gladly stepped in, knowing how these matters influence opinion in such Oxbridge-bewitched precincts as the City, Whitehall and Westminster. "Two of our recent graduates," Tanaka reveals proudly, "are rugger players, one from Oxford and the other from Cambridge." But culture is also served. YIE filled another gap last spring by sponsoring the Kyoto Noh players for the Bristol University Japan Festival, and for its pains was nominated for a leading Business Sponsorship Award.

Yamaichi's New British Graduate Recruits

Why a Japanese Firm?

Yamaichi's eight new graduates are set to take YIE to the winning post in the international securities race. On the other hand, Oxbridge men rarely agree in a discussion. So when Mr. Tanaka's "new boys" assembled round the table I was not at all sure what to expect. The first question to them was obvious: Why had they joined YIE? The answers were mostly bread-and-butter.

Paul Archer: "I wanted to use my knowledge of Japan and the Japanese language, acquired during my year and a half working there and living with a Japanese family. Also, I had an ambition to be a City broker, and I found that the Japanese companies give better training than the British ones. For example, I am being sent to Japan for several months and that sort of programme is unlikely to be undertaken by a British broker."

Tony Beckwith: "In my case, I had studied Japanese economic history from the Tokugawa era (17th to 19th centuries) for two years, so I was interested in working for a Japanese firm."

Reg Clark: "Quite simply, after three years in Japan with a steel company, I wanted to come back to the City and use my Japanese experience in a financial sphere, and YIE offered me the best opportunity to do this."

James Gordon: "In my case, it was an international angle I was looking for. I reckoned that of the two major powers in the world today, the U.S. is on the way down whereas Japan is on the way up. By the time I reach a reasonable age, Japan will be well ahead of the U.S., if current trends are anything to go by, so I opted for a Japanese company."

A Democratic Equality

Thus far, we've seen honestly expressed self-interest, along with a highly realistic assessment of the underlying strengths of Japanese companies. So, now they are in YIE, how does it strike them? Moriarty, the most experienced of the eight after an innings with Deutsche Bank's Eurobond business, opened the batting on this one.

Brian Moriarty: "You can take more initiative, you're expected to take more initiative here, though that may partly be the difference between a bank and a securities house."

Julian Johnson: "I was impressed at the way I was treated, both at the interview and after starting work. This is a very professionally run organisation."

John McIntyre: "When you walk into our office it's very difficult to tell the varying ranks of people. It's a cliché about Japanese offices, I suppose, but I do actually sit next to the Deputy Managing Director."

Moriarty: "You know, I used to have the impression that it would not be easy for a European to work in a Japanese company, the mix of personalities would not be quite right or something. But I have found that to be totally untrue."

Respect for human dignity, a willingness to let a man learn by trusting his judgement, and a certain "democratic" equality of treatment—these are the features that have impressed these sophisticated Oxbridgers. Yet discipline is maintained, by positive rather than repressive means, strengthening human relationships rather than emptying them. Clark, the man who had worked with Kobe Steel before, had this to say about Japanese companies.

Clark: "There is a great undercurrent of goodwill towards the employee to which you respond. You don't come under negative pressure in a Japanese company, only positive pressure to succeed—to everybody's benefit, your own as well as the company's. I don't think you get the best results by threatening people with dismissal, you get them by trusting people and giving them security.

"Actually, I was never all that impressed by Japanese industrial middle management. What was so striking in the steel plant was the efficiency of everyone, for instance in quality control. We produced on time, so there was a surge of power from the shop floor."

Archer: "It seems to me the Japanese company is rather like the old-fashioned English company, very much vertically organised."

Beckwith: Unlike most British companies, including brokers in the City, Japanese companies do have some respect for new graduate arrivals. They present proper training schemes for them, including the extensive travel which is necessary to learn the international business. With British companies all that is usually very patchy, and you can't count on it."

Assessing the Japanese Economy

One of our eight admitted "choosing Japanese" because the Japanese economy was so outstandingly successful; did the others agree with his assessment of Japan?

Archer: "Oh, yes, Japan is concentrating on high technology and R and D more than any other country. England is left far behind, and I think the gap will increase in future. I don't confine it to Japan, by the way. The whole Pacific area, led by Japan, generates optimism."

Beckwith: "I would endorse that optimism. Japan will lead the Pacific region in terms of economic growth and will maintain its ascendant in the world as a whole. If I had to pin it on one single factor, it is Japan's superiority in being able to adapt to changing conditions. Contrast that with the way some of our people go whining on about so-called 'trade friction' preventing them from penetrating the Japanese market. Their complaints are really a proxy for their own inability to market successfully in Japan. Whatever they may say, the internal structures and distribution network in Japan are not as complicated as British manufacturers try to make out, so the onus is really on them."

John Laubscher: "There's a political angle here which we should not forget. At the other side of the Pacific is the U.S.A., and it is terribly important for Japan to maintain a good political relationship with America at the same time as developing her economy. The understanding which Prime Minister Nakasone has apparently reached with President Reagan is encouraging in that context. This will affect trade questions as well as security and diplomacy."

Archer: "Culturally the flow is the other way. English and Western culture has flown into Japan. Very little has come out of Japan. But from what I saw, that is going to change too, and we shall soon see an outflow of Japanese fashion, music, film and art to the West."

"We Can Provide a Reassuring Bridge"

These young Britons are clear about where the dynamism in the world will be located. They represent a new generation for which national boundaries are of less significance. When McIntyre was asked why he had joined a Japanese company, he explained:

McIntyre: "The nationality of the company was not really important to me. It is intrinsic character that counts."

Clark: "You know, I look forward to the day when it becomes so commonplace for British staff to work for Japanese banks or other firms, that nobody comments on it any more. Yamaichi is a pioneer, harnessing British talent to carry out an international job of 'on site' work, so to speak, in London."

Archer: "YIE is in the rather special position of offering the best of both worlds. It is the oldest of the Japanese securities houses, with influential prestige and experience, well-established and extremely knowledgeable of the Japanese market. On top of that, its strategically important London office has now set out to be 'English.' *This combination seems to me a winner,* especially for clients basically interested in Japan, but deterred by the distances of geography, culture and language.

"We can provide a reassuring bridge, and from the client's point of view, I believe we appear more user-friendly than our competitors. For us, business is a human activity, not a coldly mechanical one."

So there it is—Japanese, egalitarian-style organisation interacting with some good examples of the more idiosyncratic British virtues—initiative, independence of mind, articulation and breadth of view. After 20 years in the City, Yamaichi is again breaking new ground in the race to the top in international financial services. Never before has a Japanese firm in London gone so thoroughly, so enthusiastically, and so wholeheartedly into Britannising at the executive and director level. It deserves to succeed.

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An integrated search for export potential

Tim Dickson on Ireland's 'one-stop-shop' for project development

"ENTERPRISE HOUSE," says its director Tom Carroll, "is a one-stop-shop. It has all the resources required to develop a venture from the concept stage, through technical research and prototype development to the market place."

That may sound a bold claim, but Carroll—a disarmingly modest Irishman—has good reason to claim that the Innovation Centre in Limerick is one of Europe's most exciting experiments in this field.

Set up in 1980 by the State-owned Shannon Development Company, Enterprise House (the building where it is based) pre-dates the establishment of most of the 20 so-called innovation centres currently dotted around the UK (though a similar initiative has been running in Denmark for about 10 years).

Besides being extremely well integrated the Limerick Centre is also soundly financed with staff salaries and working capital provided from SDC funds. The same cannot necessarily be said of many of its UK counterparts—which typically rely on university, polytechnic and local authority support.

Enterprise House has been part of a consciously interventionist programme in Ireland to identify and develop the export orientated entrepreneurs which that country so desperately needs. Potential start-ups and existing firms are welcomed at the centre but it specifically concentrates resources on products which either have significant import substitution potential or export markets.

Ventures *in situ* at the moment span the electronics, food and drink, mechanical engineering and robotics sectors.

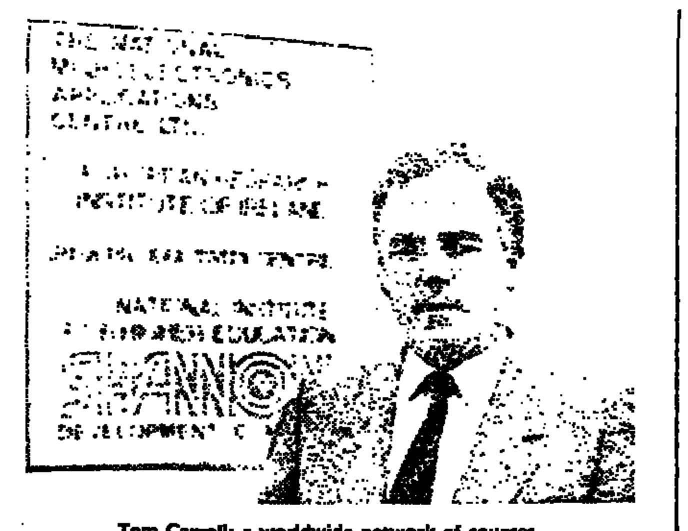
The Innovation Centre offers three distinct services: product identification; project development; and what Carroll calls "innovation modules" (suitable for people who want more limited help with, say, market and/or technical research, prototype testing, or licensing negotiation).

The centre has a worldwide network of sources of product ideas which can be made available to clients. "We believe that in future technology will be traded by nations as actively as goods and services have been in the past," he says. "Product life cycles, moreover, are getting shorter and industrialists in, say, North America or South-East Asia have a highly transient opportunity to capitalise on their technology.

"The opportunity, in the case of the small or medium-sized firms in those parts of the world can only be realised by licensing out technology to licensees elsewhere who will penetrate the global market place."

There are 15 centre staff, mostly with engineering backgrounds, who work closely with individuals, venture teams, and companies to identify suitable products, and if all goes well to help arrange licences or joint ventures. One success story is Ortomed Aids, which sells mobility aids for handicapped people, based on U.S. technology.

Project development, meanwhile, clearly involves a more extensive relationship. Clients can rent a workshop at Enterprise House on a month-to-month basis—a new 10,000 square foot extension has just been completed—and enjoy access to a data bank of market and technical information, equipment for building and testing prototypes and secretarial assistance, telexes etc.



Tom Carroll: a worldwide network of sources

Although the centre charges for its services it also runs an "Entrepreneur Intern" scheme, providing clients with quasi venture capital for salaries and working capital. Funded in part by the EEC's European Social Fund, about 20 individuals have so far been accepted under the scheme and will have to pay back twice the amount "lent" if their project proves commercially successful.

Since 1980 roughly 25 of the 250 projects on which centre staff have worked have now become fully-fledged companies, or are poised to move into production. The most successful is probably Intepro, a manufacturer of automatic test equipment which attracted venture capital backing from Alta-Berkeley Associates of London, the European associate of the American firm, Burr Egan and Deleage.

Carroll makes no major claims at this stage and stresses that it is still early days. "It's a bit like the Grand National," he concedes. "You start with a lot of horses but the number that get past the winning post is relatively small. Some of the 25 are bound to fall on the way."

Carroll says that among the lessons learnt in the last three years is that a venture team covering a range of, as opposed to individual, disciplines, is of crucial importance. Links with venture capitalists will also be vital for the centre's future, but money is not always the problem. "Our experience has shown that inventors often just need the pschological help of a supportive environment."

Scottish guinea-pigs

Mark Meredith on first results of a graduate enterprise scheme

ONLY THE unusual number of executive briefcases provided any clue to the aspirations of a small group of casually dressed students which met recently at Stirling University. For behind the jeans and sweaters were 23 determined graduates anxious to prove that they could set up and run their own businesses.

The 23 are the first hand-picked guinea pigs of a scheme launched in Scotland's eight universities last year aimed at finding student entrepreneurs and helping them to develop their business ideas. Around 1,000 people displayed an interest.

Shona Finnie, who studies history and politics at Glasgow, plans to open a dance studio; Jeffrey Grant, an architecture student from Edinburgh, hopes to establish a property development company; while Stephen Lockey, who studied publishing at Stirling, aims to produce software specialising in computer-aided learning.

An up-market health club, a soft toy manufacturer, value-added take-away foods, exhibition equipment, and a holiday tour operator are among the other embryo businesses.

A brainchild of Professor Tom Cannon at Stirling, the Graduate Enterprise Scheme, as it is called, was designed to bridge the gap between universities and business as well as to knock down a whole range of misconceptions held by students about business and by businessmen about students. Following conferences held at the universities last year the initiative seems to have caught the imagination North of the Border and an enlarged programme, including eight Scottish colleges, is already under way for this year with up to 40 students likely to be selected.

The Manpower Services Commission (MSC), — which took the students onto its £40 a week Enterprise Allowance Scheme —hopes to "export" the idea to higher education establishments in England, such as Durham, Manchester, Aston, Trent College, London Business School and a centre still to be selected in the South West.

For most students the venture into small business has involved the realisation that success is not necessarily a safe job with a big corporation. "Most of us would be on the dole if we weren't doing this," observed Stephen Lockey.

The presentation of an idea more than the practicalities of marketing it helped the selection committees filter out the best candidates at each university. Centred at Stirling, the scheme includes free accommodation, an allowance from the MSC, a market research grant if justified, office facilities and tuition and professional advice. The whole package is worth about £5,000 to each student.

The idea has caught on generally among students. "They learn that you don't have to be 35 before you start thinking about business," says Cannon, who produces figures to show that 30 per cent of all new businesses in the U.S. have been formed by people under 30.

"Being realistic, it is not easy to find a job and this is a chance to do something myself," said Shona Finnie. "It is also an alternative to the milk round of visits by companies to the universities looking for the small number of graduates they will be able to take on."

"What impressed me was the fellow from Ivory and Sime who showed the importance of the grub stake—your own equity stake in your business," Jeffrey Grant commented.

Craig Campbell, the full-time co-ordinator seconded from Arthur Young McClelland Moores, pointed to the lessons learned by the sponsors. It is essential not to drone on: the man who came to talk on business law was a hit telling the students in their own language about pitfalls of enterprise.

Cannon pays particular tribute to the sponsors—besides Arthur Young McClelland Moores they are Central Regional Council, Coates Patons, IBM, ICFC, Ivory and Sime, the MSC, the Scottish Development Agency, Stirling University and the Bank of Scotland. "We wanted their time more than their cheques," he explains.

In brief...

THE Government is planning a new drive to promote its measures assisting small businesses. About £2½m was set aside last year for extensive TV and newspaper advertising but the campaign was cut short by the announcement of the General Election. Roughly £1½m was left in the kitty and it is this money which will be used for further promotion, scheduled to follow this year's Budget. The emphasis is expected to be on local newspapers with follow-up PR showing how individual companies have benefited from the various schemes.

●

PLANS are well advanced to computerise the Government's 12 Small Firms Centres, where callers can enquire on a wide range of topics and arrange free counselling sessions with retired businessmen. Before awarding the national contract the Department of Trade and Industry is waiting to evaluate a pilot project at Nottingham being undertaken by ICL. Britain's biggest computer manufacturer has been asked to produce a system with a maximum response time of four seconds which DTI officials hope will represent an impressive model for clients, besides improving efficiency at the Centres.

●

"IT IS the duty of company boards to ensure that all bills to small business suppliers are paid promptly, as a matter of priority," Walter Goldsmith, director general of the Institute of Directors, said at an IOD conference last week. "This will not only remove an onerous burden from small businesses, it will make them better suppliers," he added.

●

NEIL KINNOCK, the Labour Party leader, is lined up to address the annual conference of the National Federation of Self Employed and Small Businesses on Friday, March 23. Before then, the Small Business Bureau backbench Tory Party pressure group, is expecting an audience of around 1,400 on its National Conference on February 8 to hear the "keynote" speech delivered by Mrs Thatcher, the Prime Minister. Other speakers at the event will include Sir James Goldsmith and Egon Ronay.

T. D.

Loan guarantee

Failure rate casts doubt on future

IMPORTANT decisions will have to be taken shortly about the future of the Loan Guarantee Scheme — one of the most radical and most controversial measures for small firms introduced by the Conservative Government. For while nobody expects the experiment to be abandoned when the three-year pilot scheme runs out in May, ways of cutting down the current rate of losses are now being considered in Whitehall.

By the end of last year some 13,305 companies — over half of them start-ups—had received guarantees totalling £438.6m from the 30 approved lending institutions (which include the four major banks and ICFC). But although thousands of jobs are thought to have been created in the process, latest Department of Trade and Industry figures show that 1,488 of the businesses have already gone into receivership or liquidation leaving the Government with a £37.8m bill for claims (or roughly £28m after the money collected from recoveries and the 3 per cent premium paid by borrowers for the guarantee has been taken into account).

Nobody can predict the ultimate failure rate, but independent consultants Robson Rhodes have now revised an earlier relatively optimistic estimate of one in five. Based on a detailed and as yet unpublished survey of about 150 companies which have used scheme finance, the accountancy firm apparently suggests that the casualty rate could be as many as one in four, or possibly even one in three.

Nobody should be surprised by that. ICFC has consistently pointed out that one in three of its start-ups comes to grief within three years while the Government's own statistics (based on VAT returns) suggest that only six out of ten new businesses are likely to survive ten years. Since Ministers, however, had expected the Loan Guarantee Scheme to be self-financing (premium income off-setting claims), pressure is bound to be exerted by Treasury officials for new measures to curtail the losses.

The Robson Rhodes report will apparently provide plenty of ammunition for the Treasury. As in their review of the scheme this time a year ago the authors are believed to be highly critical of the appraisal procedures adopted and the back-up support provided by the participating banks, the financial controls exercised by the small firms themselves, and the high level of many companies' borrowing relative to their equity base. Robson Rhodes's fellow accountants — whose work was described in the last report as sometimes "inadequate"—get less of a ticking-off this time.

The difficulty, of course, is how to improve the loss record — a point emphasised by one senior banker who confided privately: "The trouble with the report is that it asks more questions than it answers."

One option which has been considered before is to reduce the proportion of the Government's guarantee from its present 80 per cent to 70 or 60 per cent — giving the banks a larger share of the risk and thereby encouraging them to be more prudent. This would, however, be unwelcome to the banks and consequently lending under the scheme might dry up completely.

Concern has been voiced before that some scheme borrowers have shown insufficient personal commitment. A warning was issued by the DTI to lenders last year to take this into account. But since personal security specifically cannot be taken and would defeat one of the main objects of the scheme if it could — there seems little scope for further tightening-up on this front.

Given that the new Treasury team is eagerly looking for public expenditure cuts, it is unlikely that the demands of lobbyists like the Union of Independent Companies and the Conservative Small Business Bureau for the individual loan ceiling to be raised from £75,000 to £250,000 will fall on sympathetic ears. The Government, nevertheless, has to accept that if it wants to continue a scheme which by its nature funds high-risk businesses it will have to shoulder the net cost for the failures.

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VIDEO AND BROADCASTING	June
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The size, contents and publication dates of all Surveys are subject to change at the discretion of the Editor

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For further information contact:
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UK NEWS

How Westminster's closed society manages the news

Tomorrow, 100 years of the UK parliamentary 'lobby' will be celebrated. Peter Riddell, Political Editor, discusses the case for and against this well-known 'secret' method of briefing journalists

AT A British Cabinet meeting just before Christmas, Mrs Margaret Thatcher, the Prime Minister, complained that ministerial discussions about electricity prices were being too openly aired in the press and on television. This provoked the immediate accusation from one minister that Downing Street officials had themselves obviously been briefing journalists.

That such charges can be made – and known about – is because of a quintessentially British institution, the parliamentary lobby journalists, who celebrate their centenary tomorrow.

Amid the celebrations there will be, however, internal doubts and external criticisms. Like so many other inheritors of Victorian restrictive practices, such as the Stock Exchange, Lloyd's insurance market and the Law Society (the solicitors' professional body), the lobby is under challenge.

The parliamentary lobby consists of the journalists, based at Westminster who report on the background to politics – the manoeuvrings behind the scenes in the Cabinet and in the political parties. They are distinct from the gallery reporters, who cover the debates in the Houses of Parliament.

The lobby is a formal organisation of about 140 members with its own officers and rules. Membership is the result of inclusion on a list kept by the Serjeant at Arms, the chief administrator of the House of Commons. This was initially – and is still primarily – to control the number of journalists in the MP's lobby outside the parliamentary debating chamber and in certain other private corridors and bars where MPs meet.

The lobby is "an extremely secret organisation that everyone at Westminster knows about," as Mr Gerald Kaufman, a former Downing Street press adviser and a present Labour frontbencher, pointed out in his book, How to be a Minister.

It is widely known that the lobby receives daily briefings from the Prime Minister's press secretary and briefings on Thursday afternoons from both the Leader of the Commons and the Leader of the Opposition plus more recently on Wednesdays from Social Democrat/Liberal Alliance leaders). There are also meetings with ministers after some parliamentary statements.

The distinctive feature is the principle of non-attribution. This means that the comments made to the lobby by ministers, MPs or spokesmen can generally be reported, but not in a way which identifies the source. This leads to the use of a large number of euphemisms: Downing Street or senior officials believe, ministers think, Westminster or backbench opinion, and friends of (often, ironically, of notably friendless politicians)... believe.

The system has come under strong and regular criticism, notably from journalists working outside Westminster. They argue that the whole arrangement is far too cosy, helping the Government to set the political agenda. According to the critics, the system encourages laziness and exaggeration: no one knows whether the term "ministers think" is based on conversations with Cabinet members or reflects a single briefing by a press spokesman.

The lobby's defenders, principally its members and also some politicians, argue that the formalities and rules are just commonsense in view of the press's special position in parliament.

Moreover, the vast majority of the regular secret briefings consist primarily of routine news about the Prime Minister's day and government announcements, rather than subtle manipulation.

Any sense of a small exclusive group, which might have been true 20 or 30 years ago, has now largely disappeared because of the growth in the size of the lobby. No minister is going to leak secrets to a meeting of 40 or 50.

The lobby's apologists argue that its critics are naive about the way the world works. Politicians will always be more open when not being quoted directly. This is as true of the "open" system of press/government relations of Washington as of London. A Brookings Institution study, The Washington Reporters, by Stephen Hess, showed that 13 per cent of quotations in stories were not identified by name, while 71 per cent of the reporters questioned thought the public gained from such not-for-attribution practices.

In Britain, the lobby is unusual only in its overt formality. There are similar, though younger, groups among many other specialist journalists – arguably more dependent on a single source, or a limited number of sources, than in the adversary world of Westminster.

All this is persuasive only up to a point. It may be true that non-attribution is an inescapable p[art] of relations between journalist[s] and politicians. Similarly, there may have to be some regulation of access within Westminster, the main advantage of lobby membership. There may also be a case for regular collective briefings. But this does not mean that the principle of non-attribution should be institutionalised.

Long-standing lobby members argue that openness has been tried before and found wanting. Three previous Downing Street press secretaries in the last 14 years tried in varying ways to change the system. But after a time, the old practices slipped back, largely on the ground that nothing interesting was being said on the record.

Yet, apart possibly from the briefing with the Leader of the Commons each Thursday, little of what is said in the present meetings would embarrass the Government if repeated publicly.

Arguments about attribution and the lobby are, in practice, a relatively minor part of the broader debate about public access to official information. It is the culture of Whitehall which produces secrecy and manipulation of information, much more than the rituals of the lobby.

Moreover, the lobby is no longer the primary – or even the main – vehicle for reporting changes in government policy, at least in the quality press. Over the last decade there has been a large rise in the number of specialist correspondents on whom ministers and civil servants concentrate, rather than the generalists of the lobby.

There is still a role for political journalists based at Westminster with informal access to politicians – and especially to ministers on their own without the protective guard of civil servants. Such reporters can see the clashes of personality which remain at the heart of politics, and pinpoint developments of policy and differences of view. But, to be effective, such reporting needs to be in co-operation with specialist journalists outside Westminster.

After all, Parliament is not as central as it was when the lobby was formed in the 1880s.

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هكذا من الأصل

THE ARTS

London Galleries/William Packer

Keeping in step with the avant garde

One man's surprise is another man's commonplace stimulus: aversion, shock: delight, meat: poison—the variation upon opposition is endless while the theme remains essentially the same: à chacun son goût. And the crisis of the avant garde is only so if you accept certain premises: first, that because there has existed up to the recent past a readily identifiable, vital and influential avant garde, it is desirable that one should continue so, even now; second, that for one not to exist at all would be positively unhealthy, even dangerous; and third, for an avant garde, even such a one as we now appear to have, ever to lose its impetus and direction necessarily constitutes a crisis.

But crisis, with its natural emphasis, can be deceptively uncritical a word, and all too *easy* to overplay. There is, of course, no law of nature which says we must always have with us an avant garde, and certainly not one which requires engagement and vitality to be pitched at a constant level. On the other hand, so long as artists continue to declare themselves, and to work as they feel they must, so there will always be new work. Serious artists will always engage themselves with whatever is good and interesting and useful in the work of other artists, old as well as new, the academic quite as much as the experimental or advanced. The spirit of the times, and particular circumstance and emphasis, will always change; but it is when the quality fails, and the work stops, that we should really worry.

What we have at the moment, which seems to me to be no bad thing and not in the least undesirable, is no narrow, committed and easily labelled avant garde at all, but rather a diffuse and general hubbub of activity across an extraordinarily wide range of opportunity and possibility. If much of what is done is less impressive for its quality than its variety, it has certainly not meant that there is no new and interesting work appearing. More particularly intriguing in this circumstance, however, is that in this more open, catholic, undirected general mood, artists who once, even a bare decade ago, would have seen themselves as most decidedly engagé, standard bearers for the cause as it were, are now producing work of no less interest for being rather more conscious of itself, less to do with striking attitudes, less orthodox indeed—and the orthodoxies of modernism were never less than strict. One or two current exhibitions in London coincidentally make the point.

Scene from Rebecca Horn's film "Der Eintanzer"

Rebecca Horn, a German artist of nearly forty (guest of the Arts Council at the Serpentine, until February 19) gives us a spare and elegant retrospective of her work of the past dozen years or so. She is, I suppose, what we must call a conceptual artist, her work centred upon the essential palpability, the physical realisation of ideas (we might reasonably ask, of course: what work of art is not?) and the precise focus of sensation, both imaginative and physical (again, the same question). She shows us an odd assortment of things, kinetic sculpture, objects associated with body and performance art, strange props, implements and devices, and works on video and film: there is an unexpected whiff of the old-fashioned to it all, given the context of sixties and early seventies modernism from which it sprang, for we are not yet used to thinking of that work in such terms—much of it is characteristically earnest, some not entirely untouched by the higher pretension.

But that is far from saying it is not good: on the contrary, the show, taken as a whole, well repays an extended and considerate visit, the work asking only that the visitor allow it time enough to play quietly and insidiously upon his imagination. Some earlier pieces, presented as rather enigmatic informal reliefs, like tack hung on a stable wall, are revealed by photograph and documentation to be indeed functional, things to be strapped to the figure as bizarre, constraining physical extension, ritually if obliquely specific — fingers to reach the floor, shoulder cones rising 10 ft into the air, feather epaulets that mimic the courting twitch and flourish of a bird, a mysterious, all enveloping, highly suggestive feather cape.

The imagery of birds and feathers, used here repeatedly both directly and by delicate allusion, lies very deep in the subconsciousness of sexuality, and is thus a staple of symbolism and surrealism. The underlying surrealism of Miss Horn's work is its determining characteristic, and all the more potent, as with the more recent work, for being ever more sly, ambiguous and understated.

Her latest machines, beautifully engineered, are deceptively cool and impassive. A sheaf of rods hangs down to the floor and then, at a switch, creeps quietly to life, extending itself inexorably into a restrained yet arresting physical metaphor of the peacock's fan. Elsewhere other devices hum and whirr: two slim hammers hang down immobile, then swing out and up to kiss at the very summit of their hopes, only to fall away at once, shocked as it were by their mutual importunacy. In another room, a mechanical box folds the visitor away into darkness (the blackout is not quite complete enough), when begins, in Chinese, a half-heard twittering of young girls' voices — true Chinese Whispers, though Miss Horn had not known of our own very particular expression. There are, inevitably, things to carp at — an illiterate text on the wall, an unconvincing and pretentious film — but very much more to ponder and enjoy.

Stephen Willats at Riverside Studios (until January 29), is another conceptual artist whose work has grown imaginatively stronger as it has moved into more ambiguous and yet open matter, in his case away from the earnest pseudo-sociology of the seventies, and its elegantly diagrammatic structures, towards something more open-minded, accepting and surprising.

In his latest work, "Another City," which has occupied him for several years, the implied social critique is still there, but now more speculative and ironical, less heavy in its direction, admitting of a certain choice on the part both of the subject who is the actual source of his material, and the viewer. He has always been fascinated by the patterns and connections of workaday and family life, and the coded declarations of style and circumstance; but now, instead of directing us to an appalled and thus distancing response, in standing off rather more himself, he allows his material to read more for itself and its inherent qualities.

His subject is the extraordinary young, and the alternative, *self-sustaining* and protective culture they have built for themselves, alien, hedonistic, inventive. He presents them to us through the detritus and emphemera that accrue to his particular subjects in their daily lives, and the images and fantasies of themselves they assume in their nocturnal social round, these dense and arbitrary assemblages pointed with their own gnomic utterances and reflections.

"To resist the conforming, pre-determined life offered by the dominant culture, a new generation have created a cover, in which they can hide and feel free to express their individual identities. . . . Individual capsulised worlds are *created by different groups*. . . . The works . . . centre on various expressions of this self organisation made within the inner world of an individual's living environment. It is here that the individual . . . feels free enough to state his own sensibility totally." We do not need to take Willat's gloss whole to be disturbed by the alienation and nihilism, nor reassured by the innate resilience and invention, of his subjects.

Pineapple Poll/Sadler's Wells

Clement Crisp

It was an afternoon of debuts at the Wells on Saturday, and ballet-lovers know that matinees were ever destined for these happy events. There could not be the remotest doubt about the felicity of two new interpretations in *Pineapple Poll*, when Sandra Madgwick danced her first Poll and Michael Batchelor his first Belaye, though both artists looked as if they had been playing the parts for years, so secure and well-conceived their *interpretations*. Miss Madgwick is a Poll to treasure. Her sparkling technique, her open and joyous way of moving, give the heroine a lovely vivacity, and she has a saucer-eyed charm and the neatest way imaginable with the jokes on board the *Hot Cross Bun*. There is a simplicity and sweetness about her performances in this bright spring-time of her career which bring an added bloom to the role: the characterisation has a freshness and a sense of delight which renew all Cranko's merry inventions.

There is equal pleasure in Michael Batchelor's Belaye. A dancer of extreme elegance and purity of manner, he is revealed here as an inspired light comedian, dancing and acting with an insouciant charm and a stylish economy that have not been bettered since David Blair created the role. I recall Blair saying that his Belaye was a dandy "playing at being a sailor," and Mr Batchelor catches this quality with effortless wit, the nimblest feet and impeccable comic timing.

Though the sailors and their doxies are well done by the present SWRB cast, I am less than convinced by the caricatured view of Blanche and her aunt. Both are caricatures anyway, but rooted in some reality, and Blanche should be more than a duck-like walk, while Mrs Dimple needs to be more eccentrically garrulous and less amused by it all.

The afternoon also brought my first view of Sherilyn Kennedy and Roland Price in *Paquita*. The staging is a long way from the Kirov version as a hallowed showcase for bravura dancing. It needs a larger stage to allow the variations to shine, and a larger dance manner to explore their possibilities. Miss Kennedy dealt honourably with *her assignment*, and Mr Price—daring all in double *tours en l'air* to right and left, and only just failing to bring them off—is to be congratulated because he is not content always to play technically safe, but aims for a braver virtuosity. He is a gifted dancer (though a less gifted partner) and his progress thus far suggests that he can scale every peak he sets himself. Hurrah for daring, say I, as well as for present achievement. And hurrah for the un-dulled satin shoes which the women now wear in *Paquita*, their feet looking infinitely prettier thereby. Covent Garden please note.

Music Projects/Riverside Studios

David Murray

The enterprising and capable Music Projects/London initiated on Sunday a series billed as "New Images of Sound." That will cover several schools and manners; this first concert was devoted to "New Tonality," in the deadpan, *faux naïf* work of Ladislav Kupkovic and Gavin Bryars. With their repetitive patterns, pulp material, artful-artless harmony and a sense of *being in no hurry to go* anywhere, it is very like "systems music" with the minor difference that no systems are actually in play.

We had two pieces by each composer: sufficient for most purposes, and enough to show that their individual tactics are distinct. Kupkovic's exercises in "the new simplicity" (to adapt Groucho: it may sound simple, but don't be deceived—it *is* simple) rely very much on parodistic mischief. His *Serandalusia* starts up a little teashoppe waltz, perpetually recommencing, with puzzled hiccups and some cadences like slipped discs. The Music Projects team played it brightly. "Requiem for my Suicide"—the reference is to be "compositional suicide" that a respectable atonal musician risks if he goes back to play with tonality—proved to be a suite of similarly wry cartoons for two pianos. Some signs of irresoluteness in the playing may have been deliberate.

There were no jokes in the Bryars's pieces. *Les Fiançailles* stretches slow, swooning tunes over lush old-fashioned chords, prettified by period tinkling (eight busy hands at the pianos), gently motorised by a very plain beat. It would be excruciating if it weren't so laid-back, relaxed to the point of catatonia.

Bryars's *The Sinking of the Titanic* has acquired a certain notoriety over the years. The sort of thing that the ship's orchestra *may* have been playing as it went down is played, sweetly and in overlapping waves of strings, soft brass and pre-recorded tape. It passes very slowly, with some pleasing, painless collisions in the overlaps. Voices of lucky survivors reminiscing are intermittently audible. There is an air of unearned pathos over and above the languid musical experiment. For this sort of trip, Maxwell Davies's *St Thomas Wake* is shorter and much cleverer.

The Merry Gentleman/Bristol

Martin Hoyle

Bristol's Theatre Royal has revived a Julian Slade-Dorothy Reynolds musical originally launched for the 1953-54 holiday season. A few months later the same team were to strike gold with their end-of-term romp for the Bristol Old Vic, *Salad Days*.

Julian Slade's score jingles tunefully away, touching on Novello-like sweetness, drawing-room lyricism (the setting is 1910) and end-of-the-pier jollity without achieving the haunting wistfulness that makes *Salad Days* insidiously memorable. I kept wishing for more resources than piano and percussion, though the real singing required from the company, including harmonised choruses and a mock-madrigal, is well-drilled and musical.

The Merry Gentleman is of course Father Christmas, to whose home in Christmasland an Edwardian house-party is whisked in a whimsical middle act. Maiden aunt and absent-minded widower, as well as young romantics and perpetual wallflower, attain their hearts' desire with help from the odd spot of magic, singing reindeer and a dancing snowman.

I vaguely remember the original production as having *more comic business, that the* bright young things twirling and waltzing through that pre-Jimmy Porter middle-class calm included Patricia Routledge, Barbara Leigh-Hunt and Alan Dobie; that my infant heart was won by a podgy round-eyed soubrette, plain Cousin Alison wailing in frustration as she squeaked through her songs: Joan Plowright. Her successor, Gillian Bevan, has a sharper edge, as befits our nervously respectful *attitude to thwarted femininity* these days.

Despite stalwart June Barrie's game spinster-turned-witch and the brio of Simon Green's archetypal juve lead, the normal characters have dated more than the fantasticks. Sophie Thompson's maid, an *aspirant fairy, displays* the faintly manic attack of a true off-beat comedienne; and Cornelius Garrett's mute magical butler suggests a faun, with no more than a smile. A change from your average pantomime, but a period piece nonetheless.

Private Lives/Glasgow Citizens'

Michael Coveney

Having given us such fascinating recherché Noël Coward items as *Semi-Monde* (the world premiere) and *Sirocco* (the first revival), the Glasgow Citizens', surprisingly, now plump *for* one of the major comedies. Even more surprisingly, they pull it off magnificently. Coward's Elyot and Amanda are doomed to each other because they speak the same language, take relish in each other's company. The tearful symmetry of their relationship, vaguely but briefly undermined by their respective second marriages to Sibyl and Victor, is memorable because it is constructed on shared attitudes to people, morality, on an instinct for ostentation through wit and histrionics.

There is no more "one way" to play Coward than there is to play Shakespeare. But the surface gloss must be kept shimmering, the temperamental speed of the dialogue respected. Giles Havergal's production, on both counts, is faultless. And yet how fresh and, well, different, this Coward is. Two long pink sofas *form* a triangle, its apex downstage. The South of France terrace is indicated by an arragement of pink *chairs*. The sofas will be the furnishing of the Paris flat. A great blue sky is speckled with glittering silver decorations that catch the light and seem to speed lightly in the dark like sophisticated moths.

This characteristic Citizen's design has been executed by Kenny Miller. The predominant colours are *pink, grey and blue*, with matching coloured cocktails. The men's costumes are baggy in the style of the moment but curiously smart as well. The interval is taken after Act 2, a brave move that pays off. Louise, the third act French maid, is transformed by *Laurance Rudic into* Louis, a dispassionately superior drinks waiter in both locations.

Elyot and Victor are played older than is usual. Robert David MacDonald succeeds in making Elyot's lines sound funny, often disparaging and even, as they should do, vernacular. *Not* a trace, thank God, of clipped Cowardly imitation. Like Giles Havergal, who plays Victor, he is rather tall. Being in love is obviously a matter of style rather than commitment, but I was astonished to find myself shedding a few prickly tears in the love scene which is veiled with trivial conversation ("How was the Taj Mahal?").

Prior to this, Elyot's explosions of fury are a little twitchy and robotic, but the pace of the acrimony is well sustained. Roberta Taylor's Amanda using the line "Whose yacht is that?" as a climax of exasperation. Cole Porter's "Night and Day" is a good choice of theme music; it is odd to hear it referred to as "a nasty insistent little tune" but it did *originate, appropriately*, in a show called *Gay Divorce*.

Through all this, Roberta Taylor supplies a truly marvellous reading of Amanda: chunky, impulsive, outrageously camp on occasion, statuesque, funny. Above all, she has that refined sense of vulgarity I *imagine* Coward responded to in Gertrude Lawrence. With her Louise Brooks hairstyle and determined jaw, Miss Taylor is a joyously frightening prospect *indeed. She and Mr MacDonald* have been cunningly directed in the big row scene, varying their physical angles, playing the after-life chat sequence lying flat on the floor, feet propped up on the sofa. "Come and kiss me before your body rots" carries the right macabre *chill, Gerry Jenkinson's lighting* varying decisively to reflect the changes of *stage* temperature.

Mr Havergal's pedantic Victor says it all by going into a deep-breathing knees bend routine the moment he appears. He conveys a touching, silly sense of dignity and outrage. And the other of what Coward called the two cyphers, Sibyl, is charmingly done by Yolanda Vasquez. The breakfast brioches have become croissants, and when Elyot declares that he should like some coffee, Amanda simply shoves the trolley across the stage, flinging a croissant *after it*.

Another nice touch is the discovery of the truce code "Solomon Isaacs" by Elyot on the front page of Le Monde.

But the overall triumph is one of proving the resilience of Coward's comedy by treating it vigorously, intelligently and, above all, without a trace of Shaftesbury Avenue shabbiness *or Moss Bros mustiness. Glasgow* was declared to be in a state of emergency on Friday night; in the Gorbals theatre, ours was a state of euphoria.

Arditti Quartet/Bloomsbury

Dominic Gill

The ever-enterprising Arditti, unique among string quartets *in their unswerving commitment* to contemporary music, gave four post-war quartets at their recital on Sunday night, the first of an Arts Council Network tour.

The shortest was the second quartet of Brian Ferneyhough: 11 minutes of wild concatenation (two dozen feverish sketches linked by as many swift changes of direction. Unnervingly uncentred as they seem, the effects are very precisely conceived, quickly and pithily turned. I enjoyed the piece much more than I'd expected: and greatly more than Lutoslawki's early string quartet (1965)—whose alternations of self-concious maundering with predictable spasms of skittering textures *are competent enough, but tire*some, and at 20 minutes about four times longer than the material deserves.

The Arditti also gave a strong, nervous account of Britten's third and last string quartet of 1975, which grew in lyrical confidence as it approached the serene Passacaglia climax. They ended with Iannis Xenakis's supercharged *Tetfas*: an intensely characteristic blend of contrapuntal "melodic" glissandi and whirling, grinding ostinatos, ordered and imagined with that instinctive musicianship which prevents any of Xenakis's music seeming merely a catalogue of special effects.

The Pretenders/Hammersmith Odeon

Antony Thorncroft

The Pretenders concert on Sunday fell into three unequal parts: an exciting and melodic start which boded well; a dreadful middle in which the band tried to make up with frenzy and excess for the barrenness of the music; and then a rousing coda of encores which almost restored your faith in their talent.

This has always been an interesting band, with a girl singer who wears leather but stays cool; two guitarists who killed themselves from the excesses of success; and a reputation as the last old fashioned rock band which could come up with popular hits as easily as it could hold its cult following.

Much has happened since the Pretenders last played the UK. *Chrissie Hynde has so straight*ened herself out that she is touring with her young baby; the new recruits, Rob McIntosh on guitar and Malcolm Foster on bass, look so stolid and reliable that they could be part-time policemen. Only Martin Chambers on drums *plays a manic part*.

Chrissie Hynde has a more soulful and sweet voice than she often lets on and in the early section of mature material was a delight. Then all hell let loose with McIntosh and Foster leaping around the stage blasting out noise to *hide the tedium of the newer* songs. Ms Hynde got screechy and Chambers peppered the audience with drum sticks as he battered his mind away.

The encores included "Brass in Pocket", followed by "Money", and the Pretenders suddenly seemed a significant *band again. But somehow they* must find exciting material to go with their sensible image.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

Opera and Ballet

January 13-19

NEW YORK

Metropolitan Opera (Opera House): Besides Rinaldo starring Marilyn Horne, the week features Peter Hall's production of Macbeth, premiered last season, with Renata Scotto as Lady Macbeth and Sherrill Milnes as Macbeth. The week also includes Mahagonny and La Boheme. Lincoln Center (580 9830).

New York City Ballet (New York State Theatre): The company's season of mixed repertory includes performances this week of The Goldberg Variations, Mozartiana and Harlequinade. Lincoln Center (870 5570).

WASHINGTON

Washington Opera (Terrace): Gail Dubinbaum takes the title role in La Cenerentola directed by Gian Carlo Menotti and conducted by Cal Stewart Kellogg. Kennedy Center (254 9895).

LONDON

Royal Opera, Covent Garden: The return of Berg's Wozzeck after a long absence brings to the 30-year-old production an excellent revival team - conductor Christoph von Dohnanyi, Jose van Dam in the title role, Anja Silja as Marie, and a cast including James King, Francis Egerton and Robin Leggate (240 1066).

English National Opera, Coliseum: Nelly Miricioiu, one of the brightest young talents in opera, is the Violetta of the latest Traviata revival. Jonathan Miller's production of The Turn of the Screw returns with a largely new cast – Jill Gomez, Philip Langridge, Margaret Kingsley (836 3161).

ITALY

Milan, La Scala: Ballet to music by Mahler and Richard Strauss, choreographed by Joseph Russillo and featuring him with *Luciana Savignano*.

PARIS

Don Quichotte, ballet in three acts to Ludwig Minkus's music. Choreography by Rudolf Nureyev after Petipa, production by Nureyev, decor and costumes by Nicholas Georgiadis, conducted by *Andre Presser/John* Lanchbery. Palais Garnier (266 5022).

Ballet Théâtre de L'Arche presents May B, a creation by Maguy Marin inspired by Beckett's Universe; by Compagnie Regine Chopinot dancing Delices in Regine Chopinot's New Wave choreography at the Théâtre de la Ville (274 2277).

Ariadone in Utt with Carlotta Ikeda, choreography by Ko Murobush, in which a feminine ensemble gives a brilliant demonstration of the Butoh dance. Théâtre de Paris (280 0930).

WEST GERMANY

Berlin, Deutsche Oper: Die Lustigen Weiber von Windsor starts the week. Manon Lescaut has Teresa Zylis-Gara and George Fortune; Ein Maskenball, a complete new cast. La Boheme, in Italian, brings together Katja Ricciarelli and Giorgio Lamberti.

Frankfurt, Oper: Manon Lescaut with Nelly Miricioiu excelling in the title *role. For the centenary of Richard* Wagner's death, Der Fliegende Holländer is offered. Der Wildschütz is a Renate Ackermann production. Aida, sung in Italian, has Aurea Gómez brilliant in the title role.

Hamburg, Staatsoper: Ballet! Hommage a George Balanchine! includes his Temperamente, danced to music by Paul Hindemith, Tchaikovsky's Pas de Deux and Serenade, and Mozart 338, a German premiere, dedicated to the late Balanchine, choreographed by John Neumeier, and danced to music by Mozart. (Tues, Thurs).

Stuttgart, Württembergisches Staatstheater: This week's highlight is Ariadne auf Naxos with *Doris Soffel*, Maria de Francesca-Cavazza and Wolfgang Probst in leading roles. Also Hänsel und Gretel and Die Entführung aus dem Serail.

Munich, Bayerische Staatsoper: To commemorate Wagner, the Bavarian state opera is showing his complete works for the first time: Die Meistersinger von Nürnberg with Rene Kollo, Peter Schreier and Lucia Popp; Tosca, steered to triumph by Raina Kabaivanska and Giacomo *Aragall; Madame Butterfly*, perfectly interpreted by Gwyneth Jones in the title role. Also The Magic Flute with Peter Schreier and Gudrun Wewezow. Don Pasquale ends the week.

Saleroom

By Antony Thorncroft

The finest one-owner collection of jewellery to be auctioned at Christie's this century goes on display at *the saleroom's King Street, London*, premises today, until Thursday. The jewels belonged to the late Florence J. Gould, and will be auctioned by Christie's in New York in April.

Mrs Gould, who died last year, aged 85, left an estate worth millions of dollars and a collection of jewels only rivalled by that of the late Shah of Iran. Their auction value is estimated in excess of £5m, and, with the recent improvement in the jewellery market, they could fetch much more.

The most expensive item on display is a sapphire and diamond necklace, with three sapphire clusters weighing up to 40.87 carats each. It carries an estimate of around £750,000.

Mrs Gould's fortune came through marriage into the leading U.S. railroad-owning family.

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DATA MANAGEMENT

More security . . . less hassle

BY JANOS BARAT

CACI's new Relational Database Management System, RL-1, is setting a new standard in the microcomputer field. Combining efficiency and power, with flexibility and ease of learning, RL-1 contains essential features which, up until now, have been lacking in the micro software arena, despite the apparent abundance of programs on offer.

The key to RL-1's success is its ability to communicate outwards, *both with other programs, such as a word processor or another* data-base via an ASCII file interface, and more unusual, with the programmer through his own language. RL-1 can be programmed using any current major computer language, thus removing the need to learn new and often limiting dedicated languages as for example *in dBASE II (Trademark of Ashton-Tate)*.

RL-1 offers two important security tools. The first is a data encryption facility which scrambles the data on the storage media (diskette or hard disk), so that it is accessible only to the *person who has the "key" (a code). The second is a four-level* password system which allows the user to break down access authority within an organisation into four levels, by using different passwords.

Complex questions relating to the data are put using a simple 12-word English language vocabulary. Questions like: "How many product items have my sales regions in the UK and West Germany sold during January 1984 broken down by Salesman?" will result in an immediate response using RL-1's Data *Manipulation Language*.

The real power of the system lies in the fact that it allows you to ask questions not thought of when the system was first set up. Further, as your organisation or requirements change, so does *the database. No reprogramming of any of the existing* applications will be required as a result of these changes.

All data is kept in tables. Using the full-screen editor, you can define new tables, choosing, during definition, the form in which *you would like the data to be displayed*.

Similarly, the Report Editor allows you to compose personalised report formats. Stored on disk, they may later be used by the Report Generator to produce reports.

All commands and queries to RL-1 can be stored on disk and called up by typing a single word.

The system works in a network environment using the popular PCnet networking system (Trademark of Orchid Technology). This enables the locking and unlocking of files and the distribution of data through the network.

Each user can immediately adjust the efficiency of RL-1 by allocating more (or less) dynamic memory to it. This is easily done by setting two parameters when RL-1 is first invoked. *OEMs or other dedicated applications users can make the* versatile Program Interface work to their best advantage by fine-tuning even the way some functions are performed.

High precision and unlimited record length combined with the communications ability makes RL-1 number one in the field.

RL-1 has a remarkable capacity to handle high-precision data — up to 31 decimal positions. It also possesses a large number of useful data types, which no other systems have, such as "date" and "date duration" (number of days).

It handles data in scientific notation and can calculate many statistical functions.

But one of the most interesting features of RL-1 is its proper handling of undefined data. When a piece of information is missing you can insert "NULL" in its place. This "NULL" value retains its integrity during arithmetic operations, i.e. NULL ÷ 12 = NULL. This is of great importance. No one wishes a zero value to be substituted for an unknown one, where the answer to a sum *will reflect the value as being (falsely) zero* instead of unknown.

CACI offers consultancy and training courses to customers who wish to set up a special purpose database, network, or application system based on RL-1.

More on 01-940 3606 from Julie Mowinski.

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Mr Reagan's new tone

PRESIDENT REAGAN'S speech is doubly welcome, both for what it says, and for its striking contrast with the belligerent rhetoric previously associated with Reaganism. The angry denunciations of the Soviet Union as the focus of evil have been laid aside; in their place, he offers peaceful competition and constructive co-operation with the Soviet Union. If the speech means all that it says, it could mark a turning point in the foreign policy of this administration.

Yet it would be premature to leap to any exaggerated conclusions. A speech is not a policy, it is just a speech. It may be true that, after three years of rearmament, Ronald Reagan believes the U.S. is once again strong enough to deal on more equal and more confident terms with Moscow. But it also seems probable that there is a significant element of mood music, designed to deflect critics at home and abroad. Only time will demonstrate whether the President has marked out a new course, or whether the propaganda is merely cosmetic.

At home the President's main vulnerability to his Democrat rivals is on the foreign policy front. On top of the controversy over American involvement in Lebanon and in Central America, has come the collapse or at least suspension of all the major arms-control negotiations involving Washington and Moscow. Domestic critics cannot easily point to detailed changes in the U.S. negotiating positions which would have averted this collapse; but they can argue that the negotiating opportunities may have been undermined by the general hostility of the rhetoric previously directed at Moscow by the Reagan Administration.

Blame

President Reagan said yesterday that America's alliances are solid, and at a certain level the statement is certainly true. Support for Nato is strong in most European countries, and the major governments have so far successfully demonstrated their commitment to Alliance policy, with the initial deployments of the cruise and Pershing II missiles.

At another level, however, the statement is much more debatable. Popular confidence in Europe in the American leadership of the Alliance is at a low ebb, and there is a surprising readiness in the general public to ascribe blame for the collapse of the Geneva negotiations almost equally between the Russians and the Americans, even though it was manifestly the Russians who took the decision to walk out.

Controversy

The very first stage of the new missile deployments has successfully taken place, but there is a long way to go before the process is complete. In the absence of negotiations in Geneva, it is in America's interest, as well as in that of the rest of the Alliance, that President Reagan should seek to head off popular accusations that Washington is to blame for the deplorable state of East-West relations, or the insinuation that this Administration is intent on waging war against the Soviet Union.

The third major audience at whom President Reagan's speech is directed is the leadership in the Kremlin. No doubt the Russians' primary purpose in breaking off the Geneva arms talks, was to maximise political controversy in western Europe and tension between the two halves of the Atlantic Alliance. But if there is any force in the proposition that they had given up on doing business with the Reagan Administration because of its relentlessly anti-Soviet rhetoric, it is clearly advisable for the President to test it by adopting a quite different tone of voice.

A change of tone was under active consideration in Washington as long ago as last summer, but was abruptly derailed by the furore over the Soviet shooting-down of the Korean airliner. Its adoption now can only please those western European governments which have long pressed for an improvement in East-West dialogue.

Yet to turn the speech into an effective policy will require the active participation of both the super-powers. As President Reagan said yesterday: "Co-operation and understanding are built on deeds, not words." We cannot be sure how much of his speech is propaganda, and how much represents a genuine change of course. We can be even less sure whether the leadership in the Kremlin is likely to respond to overtures which might conceivably lead to a friendlier relationship. But even if the speech starts out mainly as propaganda, it would still be welcome, for the rhetoric could lead on at least to an exploration of the possibilities of reducing East-West tension.

More than one way to cap a rate

TODAY the Government's rate-capping Bill, designed to limit the freedom of local authorities to set their own rate levels from 1985/86, will get its second reading; then the fun will begin. The extraordinary coalition of Tory shires and left-wing high-spenders which has been driven together in opposition to the Government's whole handling of local authority finance will grind into action, first in the committee stage in the House of Commons, and then in the House of Lords, which is always sensitive on what it sees as a constitutional issue. Even among those who think that the constitutional issue is overdone, the Bill has little real support; the strange and arbitrary formulae which lead to frugal Conservative councils incurring over-spending penalties are obviously a bad basis for central interference.

Education

We certainly remain among those unconvinced about the merits of the Bill or of the arguments advanced in support of it. The rate burden has grown intolerable because Parliament has imposed heavy duties on the local authorities, but steadily reduced the central government finance to support them. Local democratic checks have been weakened because Parliament has tried to assist ratepayers oppressed in this way by means of rebates, so that many voters no longer have to pay even their marginal share of the services they vote for. Such absurd rules are bound to produce absurd results.

It could be argued that things have come to such a pass in some places that what amount to emergency powers are needed to hold the line while better rules are devised—indeed, this was probably the thought behind the hasty commitments in the Conservative manifesto. Parliament may try to impose a time limit on the powers the Government now seeks, and seems likely to resist the broad general powers contained in the Bill. Alternatively, it might be sensible to limit the Minister's protection to those who have hardly any votes to deploy in their own defence—the commercial ratepayers.

But even if Parliament fails to amend the Bill, the real problems remain unresolved. Barring unforeseen accidents the Government has more than four years before its next electoral test. That gives it plenty of time to examine ways of reforming devolved local government and its finances to take it forward on a sound, democratic and accountable footing in to the next century.

Such an inquiry might reconsider, for example, whether education is logically a local service to be funded locally or whether at least its finances should not be a separate responsibility of central taxation. That debate would lead rationally towards examination of how best to reduce the tiers of government so that truly local services, suited to local discretion, were provided by directly accountable unitary authorities whose income was largely locally derived from as wide a spread of payers as possible, with as few subsidies and exemptions as possible. A revaluation of property, the basis of local rates, is also long overdue.

Income tax

Many of these issues have been looked at before; Layfield's widely respected inquiry into local government finance proposed a local income tax and other measures regarded as politically unpalatable. Redcliffe-Maud advocated unitary authorities in his review of structure but his views were also largely rejected. But a review of both finance and structure is still urgently needed. The Government must accept that no solution can be perfect; but a promise to pursue the search would do much to improve the present soured atmosphere.

ISRAEL'S ECONOMY

Spinning in a vicious circle

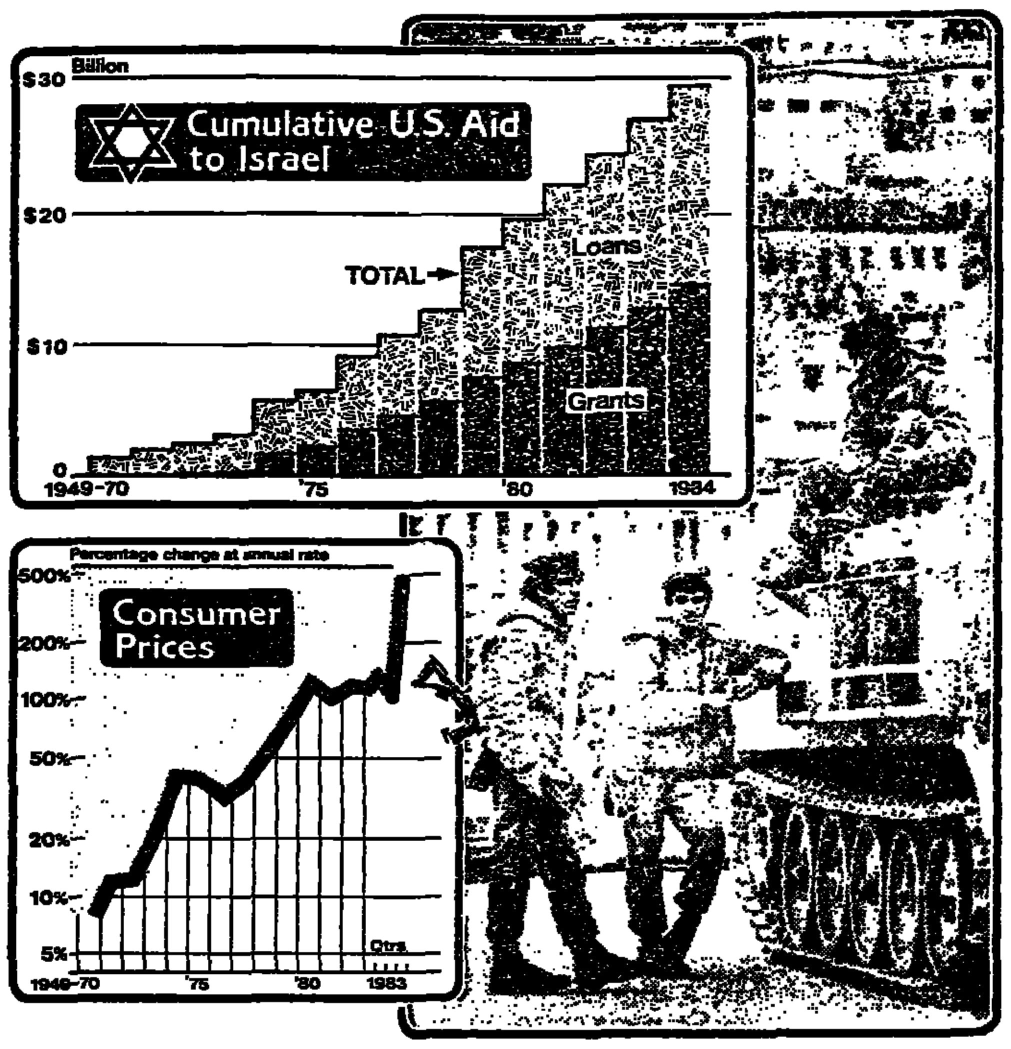
By Anatole Kaletsky, recently in Jerusalem

"ISRAEL COULD be a viable country—if you took away the defence budget and the American pocket." An international banker.

"We are turning ourselves, through our own actions, into a poor relation who requests aid without being a source of pride." An Opposition Member of the Knesset.

"Countries at war do not usually permit themselves the luxury of raising their citizens' living standards." A former Governor of the Bank of Israel.

"Economy declines. Living standards up." Headline in the Jerusalem Post.



Bob Hutchison

THROUGHOUT HISTORY great military nations have been subdued as frequently by their own economic failure as by their adversaries' superior forces. Israel today looks as if it could yet become such a nation.

The world's most successful military machine has always been powered by a tiny economic engine, which is as delicate as it is dynamic. Although the Israeli economy grew phenomenally in the first two decades of the state's existence, Israel could never have mustered the economic resources it needed to defend itself against the overwhelming enemy numbers had it not been for the assistance of Jews abroad and of reparation payments from the West German Government.

But after the Yom Kippur War of 1973 and the subsequent worldwide energy crisis, a dramatic shift in the balance between Israel's national ambitions and its economic achievements took place. The prestige of its armed forces increased more rapidly than ever and Israeli living standards continued to rise, but the economy stalled.

While the defence budget expanded from 17 per cent to nearly 30 per cent of gross national product, economic growth came almost to a standstill, energy costs soared, aid from foreign Jewry and the Germans reached a plateau and Israel began to spin faster and faster round a vicious circle of hyperinflation and mounting foreign debt.

Only last year, however, did most Israelis start really to worry about the fragile economic foundations on which their security and prosperity were based. Their Government was even slower to see the truth. It took a financial collapse in October—sending inflation briefly into the 1,000 per cent stratosphere, which wiped out a third of many Israelis' savings and which is still reverberating in daily strikes and political manoeuvres—to force a definitive change of economic course.

More significantly, it took the retirement of Mr Menahem Begin as Prime Minister last summer to get the country to face something which had been impossible to acknowledge under the spell of Mr Begin's unbending nationalism and charismatic pride—the future of Israel depends entirely on the financial favour shown it by the U.S.

If and when the U.S. Government comes to recognise this fact, it would have an unprecedented opportunity to influence Israel by purely economic means, without undermining its military commitment to supply the country with whatever arms or help it needs to defend itself against the Arabs.

Indeed, it might not even require economic *pressure* from the U.S. to steer Israel away from some of Mr Begin's unyielding foreign and military policies. The interaction between Mr Begin's economic short-sightedness and the Third World debt crisis has made Israel newly vulnerable to any loss of confidence among commercial creditors. Thus the U.S. might only have to *refrain* from ever-greater generosity in order to make the Israeli people reconsider their nation's priorities—and in particular to seize any chance of a *modus vivendi* with their Arab neighbours.

Israel's new Prime Minister, Mr Itzhak Shamir, is as vehement as Mr Begin in his rejection of the occasional U.S. requests for conciliatory gestures towards moderate Arabs. But unlike Mr Begin, he appears to have recognised that Israel's growing economic dependence could one day entail political costs.

This is why he has appointed a highly-respected new Finance Minister, Mr Yigal Cohen-Orgad, to make the Israeli economy more self-sufficient, before the U.S. "asks us to do them a favour in return," as Mr Cohen-Orgad discreetly concedes. But time, politics and basic economic reality are all against the new team's efforts. It would take a profound alteration of political priorities or a sheer economic miracle to enable Israel truly to stand on its own feet.

The economic dimensions of the corner in which Israel is now trapped are simply overwhelming. On one side there is endemic inflation. This soared from the customary level of 100-150 per cent, with which the country has learnt to live over the past five years, to an annual rate of nearly 1,000 per cent in October. The decline to 350 per cent in the two months since then is regarded as a "moderation" but possibly only a temporary one.

For Israel's chronic inability to control inflation is a symptom of an even more daunting problem: the country's inherent inability to live within its own economic resources. The other side of this continuous imbalance has been the relentless climb of foreign debt.

The magnitude of Israel's debt and dependency is at the heart of its present economic crisis and of the political pressures which it may one day face. It now owes foreigners between $21bn and $23bn (depending on the treatment of the overseas assets of Israeli banks). This amounts to some $5,500 for every man, woman and child, or roughly seven times Brazil's indebtedness per head (or four times, relative to GNP).

But the raw debt statistics give only a blurred picture of Israel's need for external support. Israelis argue that their debts are less oppressive than other developing nations' because the great bulk of the loans come from the U.S. Government and world Jewry, rather than international banks. Over 80 per cent of Israel's net debt is long or medium-term, often at low fixed interest rates.

In fact, the country's whole short-term debt can be accounted for by deposits placed in Israeli banks by foreign individuals ($6.5bn in 1982). In the past few years Israel has transformed itself quietly but effectively into a high-interest, no-questions-asked, tax haven in which foreign tourists can combine financial self-interest with an enjoyable holiday and a gesture of support for the Jewish state.

Unfortunately, there is another side to the generosity and moral support which Israel enjoys from the outside world—it disguises a degree of economic dependence which goes far beyond the figures of the country's debt.

Israel receives in straight grants from the outside world even more than it borrows. Without these grants of between $2.5bn and $3bn a year, the foreign debt would long since have become unsupportable. It is only because of these "unilateral transfers," roughly half of which come from the U.S. Government, that Israel can run a current account deficit which reached a record level of $5.1bn, or nearly 25 per cent of GNP last year. Such deficits put anything seen in Brazil, Chile or Mexico in the shade.

The grants make the Israelis the most heavily-subsidised people on earth. Indeed the level of "unilateral transfers" per Israeli is higher than the total income of the people in half the world's developing countries—per capita grants to Israel are about three times India's total income per head, for example.

From the U.S. perspective, the level of aid to Israel is even more disproportionate—this one tiny country now absorbs between one-quarter and one-third of the U.S. Government's entire foreign aid ($2.25bn in grants and loans to Israel in 1982 out of $8.3bn of aid for the world as a whole).

At present neither the U.S. Government nor the American public is particularly startled by such juxtapositions. Americans have an affection and loyalty towards Israel which go far beyond the famous "Jewish lobby" and encompass an overwhelming majority of non-Jewish Americans. But they have a further reason for helping Israel. Their governments, and the Reagan Administration in particular, have traditionally regarded such aid as a payment for Israel's highly efficient defence of Western interests in the Middle East — a point made explicitly at length in a recent audit of aid to Israel by the U.S. Comptroller-General.

From this point of view, the U.S. "can buy more defence for every dollar they invest in Israel than in any other way—and all without risking one American life," as one leading Labour politician points out.

Thus, in the view of Mr Cohen-Orgad and the Shamir Government what has precipitated the current crisis is not the inherent unsustainability of Israel's defence burden but the growth of a massive civilian trade deficit, on top of the military one, over the past five years.

It is only the $2bn of this civilian deficit, beyond the $1.5-2bn for defence and the $1-1.5bn for interest payments, which the Government is now determined to eliminate, since it believes that the $3bn required for military and interest payments can continue being financed through grants, without pushing the country further into debt.

The effort to halve the civilian deficit to around $1bn this year and eliminate it altogether by 1987 accounts for much of the political and economic disruption in Israel today. For politically the deficits are the legacy of Mr Begin's open-handed policies on defence, public spending, consumer subsidies and tax cuts, which allowed Israel's consumption to rise by 33 per cent per head between 1973 and 1983, while the GNP grew by only 6 per cent.

Economically, the deficits had a further, temporarily soothing, function. They were the consequence of a bold, but ultimately ineffectual, attempt by the former Finance Minister, Mr Yoram Aridor, to tame Israel's inflation by maintaining an overvalued shekel.

Mr Aridor's experiment collapsed last October in a bout of speculation against the shekel and against the shares of Israeli banks on the Tel Aviv stock exchange. The devaluation of nearly 30 per cent which followed fed immediately through into prices.

The crisis brought some benefits for government policy. The devaluation helped exports and slowed imports, while the collapse of the stock market wiped out a large proportion of Israelis' spending power and hence their appetite for foreign goods. Even more importantly, the crisis prepared the public to "take some blows" economically, as several Israelis put it.


Israel's Premier Shamir

But the toughest questions about Israel's future viability still need to be answered.

Will Mr Shamir be able to forge a political consensus for the drastic cuts in social spending which he needs, when the Opposition Labour Party is offering to cut spending on arms on Lebanon and on the West Bank settlements instead?

Will banks and other foreign creditors give Mr Cohen-Orgad even the year or two which he needs to wean Israel away from any further commercial borrowing? Will "Washington continue to keep Israel afloat by giving the right political signals to the banking system," in the words of one top Israeli economist?

Above all, will the U.S. continue to regard Israel as a "strategic asset," irrespective of its behaviour towards its neighbours, or will it demand a political price for economic support?

The political map of the Middle East could change dramatically one day if the answer to any of these questions turns out to be "no."

Men & Matters

Caught in flight

Communications between the Foreign Office and the Ministry of Defence still seem to be a bit haphazard, especially where the Falkland Islands are concerned.

Hence, Defence Secretary, Michael Heseltine's trip to the island—most widely leaked of defence secrets—has been postponed. He was to have left yesterday but will now set off tomorrow instead.

The reason for the delay is that Baroness Young, Minister of State at the FO, who arrived in the Falklands last week, was still there yesterday.

And, quite apart from the undesirability of having two ministers tramping around the island, bumping into each other, there is an accommodation problem. Sir Rex Hunt, the Governor, cannot provide lodging for more than one ministerial entourage at a time, let alone get them into the official car—a maroon London taxi.

Heseltine will go out by the usual route—to Ascension Island and then onwards in a bumpy Hercules. But the trip back—an attempted non-stop flight by an RAF Nimrod reconnaisance aircraft—will be more in keeping with his flamboyant style.

Not the least annoying aspect of Heseltine's enforced wait for such deeds of derring-do is that he will now be in London for the Commons vote tonight on the second reading of the Government's controversial bill to limit rate rises.

Heseltine argued strongly against the move during his year at the Environment Department but will now be obliged to march loyally into the lobby to vote for it.

"Remember the good old days when we were just known for having an odd spire on the church?"

Express move

"If you came and asked me what sort of Japanese stocks to buy, I would not be able to find anyone here to tell you. They just do not know," says Peter Cohen, chief executive of Shearson/American Express, the second largest brokerage firm in the U.S.

To remedy this frankly admitted deficiency, 36-year-old Cohen has gone out and hired someone who does know — Bob Kugler, aged 44, who has been running the Japan Fund, a successful closed end mutual fund, for more than a decade.

Kugler is joining Seth Strickland, a former vice-president of institutional equity sales at Smith Barney, and five of Morgan Guaranty's brightest London investment team, in a move which has set tongues wagging in the close-knit international investment community.

Karl Van Horn, who ran Morgan's team, is heading the new venture which, he says, is modelled along the lines of the investment "boutiques" which have been sprouting in the U.S. market.

There has been a trend recently for U.S. money managers to split off from the larger vertically-integrated investment management firms and form their own outfits. Typically, this new generation of firms consist of only a handful of professionals working with a minimum of overheads and with an emphasis on out-performing the market.

Van Horn's operation will be completely separate from the other investment management services run by American Express. "Our intention," he says, "is to make money for our clients and have a heck of a lot of fun in the process."

Van Horn and Peter Cohen first met in 1972. Van Horn was then a New York-based investment manager for Morgan, and Cohen, a humble analyst following a company called Fannie Mae, which maintains a secondary market in mortgages.

"I scarcely knew what he was talking about," Van Horn admits. But he was impressed enough to buy 250,000 shares. "Not only did Peter tell me when to buy, he also told me when to sell," he adds.

The two have kept in touch ever since and when Cohen heard on the grapevine that Van Horn was becoming restive at Morgan, he made him an offer he could not refuse.

Boston bound

Fresh from collecting £70,000 from TV-am, Angela Rippon has found further compensation across the Atlantic with a job as arts and entertainment reporter at WNEV-TV, a locally-owned station in Boston.

The company refused to say yesterday how much Rippon will be earning, but she will be working full time and will be on a three year contract. This will be reviewed after six months, partly to give her the option of leaving if she finds the commuting too much.

WNEV is owned by the New England Television Corporation and affiliated to CBS for its network programming. Its base in Boston is probably one of the main generators of arts and entertainment news in the U.S., so Rippon will have plenty to keep her busy.

"Arts activity in this part of the world is very lively and the coverage is crucial to the community," a company official said yesterday. "We can't wait to get her over here.

"I'm very anxious to get to Boston," said an equally impatient Angela.

Security threat

The Stockholm Security Conference was almost scuppered before it began yesterday when vigilant customs officials at the city's airport seized a crate of Russian "bankers."

Some of the Soviet delegation's baggage went astray—and a customs officer who dipped his hand into one crate came up with a smelly piece of red sausage.

Import of cured meat into Sweden is banned, and the customs wanted to impound this possible threat to the nation's health. But a Soviet consul declared that the sausage had diplomatic status and, in the ensuing row, even threatened that delegates would return home if it were not allowed entry.

The sausage was finally cleared after intervention by the Swedish Foreign Ministry.

Passing strange

Shape of things to come? A small van with the name Benn on its side rolled into Westminster's Palace Yard yesterday. Labour's deputy leader, Roy Hattersley, watched its arrival with evident amusement. But, in the interests of unity, no doubt, hopped discreetly into a taxi and left in the opposite direction.

Observer

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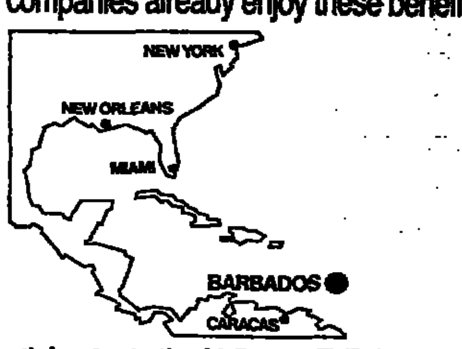

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Letters to the Editor

Rates, ratepayers and the proposed capping legislation

From Mr R. Harris

Sir,—I am all for preventing local authorities from spending too much, but I greatly doubt if rate-capping is the answer. A much better solution would be to take away from local authorities those functions which they should not have. By far the most important of these is housing.

If council housing were transferred to the Department of Health and Social Security, it would no longer be possible for a local authority to buy the votes of council tenants with subsidies paid for by disfranshised business ratepayers, thus driving industry out of the district and increasing unemployment.

Another advantage would be that an applicant's chance of getting a council house would no longer be affected by the side of the street on which he or she happens to live, because one side of the street is in the area of one local authority, while the other side of the street is in the area of another local authority in which housing is more difficult to obtain. Altogether, the likelihood of council housing being allocated to those most in need would be considerably increased.

Richard Harris.
Flat 8,
119, Haverstock Hill, NW3.

From Mr J. Skeffington

Sir, — The Government appears to be running into trouble with the proposed rate capping legislation, having previously tried to limit local councils' expenditure by reducing their revenue from government grants.

Business supports local councils financially but without representation. Businesses with large payrolls pay under sufferance because the rates are a small part of their total expenses but the trade unions would certainly have something to say if their employees became unemployed because of an excessive rate burden; small businesses tend to be non-unionised and the number of persons involved is small in each case, so there is very little publicity if excessive rate burdens bankrupt them.

Why not then reduce the rate revenue by reducing the commercial/industrial rate liability, by granting them a rebate instead of householders. This would not only put the burden on those who obtain the "benefit" from local council expenditure but I cannot see that taking thousands of individuals to court for inability to pay would earn votes and there would certainly be a public outcry and possibly a breakdown in the judicial system. The main beneficiaries of excessive and wasteful council expenditure, however, are the trade unions to which council employees belong and those persons who are granted 100 per cent rate rebates who are, therefore, not unhappy to vote for profligate councillors, as they only receive, not pay. Perhaps there should be a limit on rebates so even the poor would have to pay rates, but that would mean, no doubt, that those who could not afford to pay, would not pay, thus reducing the rate revenue.

Maybe a sharp reduction in revenue, which would require household rates to rise by 50 per cent or more to compensate would have the desired effect. Or would the Government feel its popularity would suffer?

J. C. Skeffington.
The Coach House,
Upper Eashing,
Godalming,
Surrey.

From the Director,
Home Affairs,
Association of British Chambers of Commerce

Sir,—We would not wish those taking part in the Commons debate to receive from your Saturday article "Split in the business ranks over Rates Bill" the impression that business is significantly opposed to the Bill. A large majority of the ABCC's national council agreed last Thursday to support the Bill's general powers provision, on which we had previously held reservations, and a very large majority of chambers throughout the country have consistently supported the other provisions in the Bill, and urge MPs to vote for its second reading.

D. J. Nicholson,
Sovereign House,
212a Shaftesbury Avenue, WC2

Judgments on architecture—no defence of new buildings

From the President,
British Property Federation

Sir,—What a contrast there is between the wisdom of Mr Michael Manser's architectural judgments (January 11) and those of Mr Colin Amery (January 9).

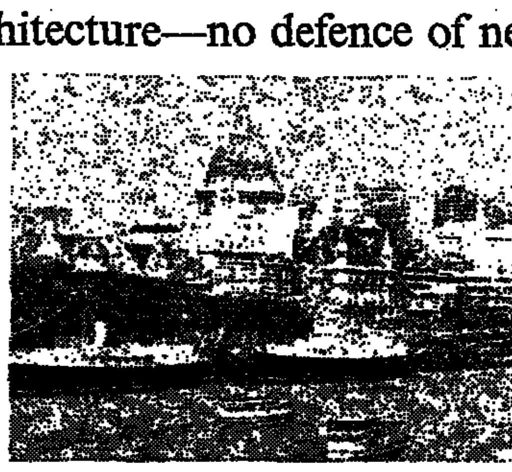
Mr Manser points out that the architectural heritage we now treasure consists largely of structures which were described as ugly and horrible by the critics when they first appeared. Perhaps that is why Mr Amery has such high hopes for the future, despite his personal disapproval of the architecture of 1983!

For example, Mr Amery regards St Martin's London Bridge City as "horrific." Yet most of the visitors to the exhibition of that project considered it magnificent and a Press judgment was that it was a "tonic." I shall be surprised if future generations do not take immense pride in the splendid Hay's Galleria sweeping so magnificently down to the river and if future conservationists do not defend its every stone.

Mr Amery's unmeasured attack on Mr Patrick Jenkin's alleged lack of interest in architectural quality and the allegation that he is "sweeping away controls" are, I believe, unfair as well as false. In his address when opening the Hobhous Court exhibition sponsored by my federation last summer, Mr Jenkin demonstrated quite clearly his interest in and concern for architectural quality. Mr Jenkin has said publicly that he finds very often that the things he likes are those which attract support from acknowledged experts; but he has had the humility to recognise that his taste is individual. He has also expressed the view that the marvellous buildings and squares and crescents of London owe little to the aesthetic judgment of administrators and politicians; they came into existence because in the past, the system allowed people to produce buildings according to their taste.

Mr Amery himself implicitly acknowledges the truth of this when he says that "nothing advances the cause of good architecture more than the commissioning of good new buildings." This implies reasonable freedom to do just that. Mr Amery's lament over the "compromise" in the design for the new wing of the National Gallery shows the inconsistency of his attitude. If we are not to suffer from the diktat of planners and compromise by committee, the taste of architects and patrons who commission new buildings must be given room to express itself.

Dennis Marler,
35 Catherine Place, SW1.



Old and new—the City skyline

From Mr H. Law

Sir,—Michael Manser (January 11) is probably right to say that urban conservation has gone too far; there is something very unhealthy about officially-enforced urban taxidermy. Yet Manser himself gives us the reason why this has happened: there is a lack of confidence in present and future architecture.

The causes can be traced back to the beginning of the century, with the collapse of the traditional canons of design and proportion. Nothing has taken their place, apart from the slogan "form follows function." Since then, the lack of any accepted standards of design has produced a series of architectural movements: the International Style, New Brutalism, Hi-tech, Neo-vernacular, Post-modernist, following each other in quick succession. In the process, the fundamentals of good building have frequently been forgotten.

While good modern buildings are to be found, they are a rarity. All too often, modern buildings are ugly and generate unpleasant surroundings. They are frequently disliked by the people who use them, and commonly suffer from structural defects as well. We should therefore not be surprised that public confidence in the ability of modern architects has evaporated.

The remedy lies with the architectural profession itself, and, in particular, with the way it trains its students. When architects have earned the confidence of the public, the demands for wholesale preservation will diminish of their own accord. In the meantime, the conservation laws need more teeth rather than less.

Henry Law.
8, Woodhouse Road,
Hove, Sussex.

From the Chairman,
Save Britain's Heritage

Sir,—Michael Manser (January 11) suggests the Electricity Board should convey the freehold of Battersea power station to the chairman of the most vociferous of its preservation groups. What we have campaigned for — here as with other threatened buildings — is the fullest opportunity to explore possible viable uses, and the CEGB has set out to provide this in the current competition. It is appalling that the president of the Royal Institute of British Architects merely scorns the efforts of those, architects included, who put time and resources into devising practical solutions.

His quotation from a central London planning officer, who he fails to name, is equally implausible and garbled — we have corresponded with practically every planning authority in the country, and not one has ever taken the line that buildings should be saved regardless of cost.

He implies conservationists and architects are at loggerheads — but architects have always been, and are, prominent among the members and committees of preservation groups, civic societies and building preservation trusts. Currently SAVE is working with three architectural practices in London, one in Manchester, one in Leeds, one in Huddersfield and one in Bristol, on buildings and projects. The huge increase in rehabilitation is not just a response to pressure from preservationists, but to basic economics and to what people actually want in the way of places to live, work and relax in.

He condemns much of Chelsea, Kensington and Westminster as "undistinguished and shoddily built," but property values show these contain some of the most sought after property in the whole country.

He says all London towers should have been twice as tall. Let him tell this to the huge numbers of tenants in high-rise council flats who live in misery and are desperate to move out. Is he suggesting Hyde Park would be improved if the Kensington barracks tower and the hotels overlooking it were twice as high?

If Mr Manser intends to use his presidency to lead the RIBA into war against conservation, those who practice it can take heart from the fact that a substantial number of architects do not belong to his institute, and that an increasing number of engineers, surveyors and designers are taking a serious professional interest in the repair and reuse of older buildings.

Marcus Binney.
68 Battersea High Street, SW11

Intellectual property rights

From the President,
Chartered Institute of Patent Agents

Sir,—A. H. Hermann's optimistic view of the British patent system (January 12) is a little like the curate's egg. It is unlikely that there will be a chorus of protests from the members of the Chartered Institute of Patent Agents which institute has consistently over the years given advice to government on intellectual property rights, which advice has always been intended to benefit the users of the system.

Elation is perhaps too strong a word, but we too are gratified to find the user's point of view exposed in a government paper, particularly as it accords in many respects with our own.

As early as 1977, my institute put forward a case for the protection of inventions by petty patents or registered inventions. For some time we have been advocating and pressing for the registration of trade marks for services. We also support the proposed registration of functional designs.

As to the shortcomings of the 1977 Patents Act, Mr Hermann should remember that it was in large measure designed to harmonise UK law with the European patent convention which was ratified by this country. This Act was brought into force on June 1, 1978, simultaneously with the opening of the European Patent Office in Munich through which UK patents can be obtained in either English, French or German. My institute has long urged that it would be to the benefit of this country to require such foreign language European patents (UK) to be translated into English but to no avail. As such European patents (UK) have the same force and effect in the UK as a UK patent obtained by the national route it would, to say the least, be difficult to disentangle the 1977 Patents Act from the European patent convention.

The hiving-off of the Patent Office would doubtless present difficulties but I feel sure that if it was allowed to get on with the job it would do it well. Patent Office examiners are a highly skilled body and they are not, in fact, whisked away by the civil service appointments rota, although this problem does apply to other members of staff.

The monopoly of registered patent agents, and I emphasise the word "registered", is largely an illusion. A patent agent is defined as a person carrying on for gain in the United Kingdom the business of acting as agent for other persons for the purpose of applying for or obtaining patents in the United Kingdom or for the purpose of conducting proceedings in connection with such patents before the comptroller who may refuse to recognise such an agent, unless such a person is on the register of patent agents. It should, however, be noted that the right of representation also extends to solicitors who vastly outnumber registered patent agents. All that is required to become registered is to demonstrate by examination that one is competent to represent others in this field. This is for the protection of the public, the register having come into being in 1889 by public demand just for this very purpose. Even today, anyone can draft a patent specification for others and can give advice to others on patent matters. Skill and experience, however, are required and my institute is not at all dismayed by the government paper, particularly as it seeks to promote an awareness of the importance of intellectual property rights. There will be no chorus of protest from us, only constructive comment.

Bernard Fisher,
Staple Inn Buildings,
High Holborn, WC1.

Capital outflows from the UK

From Mr T. Torrance

Sir,—The letter (January 11) from Mr Philip Wright on capital outflows from the UK is based on the commonly held but nonetheless erroneous supposition that a pound invested abroad by a UK resident automatically means that there is available one pound less for domestic British investment. This is simply untrue.

The sterling UK residents exchange for dollars doesn't go clean out of existence but remains of course within the UK banking system and can be used, as before, to finance capital formation in this country. The main effect on the British economy of the 1979 abolition of exchange controls has been to lower the real or inflation-adjusted exchange rate of sterling from what it otherwise would have been. To reimpose the old exchange control regime would do nothing to add to the overall level of funds available for domestic British investment, but would, by raising sharply the real exchange rate, destroy hundreds of thousands of jobs by ensuring that marginal exporting firms could no longer operate profitably. Is this in anyone's interest?

Thomas S. Torrance,
Department of Political Economy,
University of Aberdeen,
Edward Wright Building,
Dunbar Street,
Old Aberdeen, Scotland.

Honours without merit

From Mr E. Dadson

Sir,—Your interesting leader on (January 10) did not take into consideration the possible plight of the untitled British businessman, either resident abroad or travelling frequently. The average foreigner thinks that the prefix Lord or Sir necessarily indicates a superior Briton—so those without the prefiv must be inferior. "Monsieur" says the secretary of a Minister of a foreign country or of the Burgomaster of a European city, "Mr XY is here." "I will see him presently" is the reply. But if the secretary says Lord Y or Sir XY is there, the reply is "Show him in at once."

Lower down the scale there is complete confusion. The foreigner hears your staff say to you "Yes Sir" and "No Sir" and they know that if they write to you they must open with "Dear Sir"—and cannot understand why they should not address the envelope to Sir XY.

No serious businessman trying to earn foreign currency for this country should be submitted to the indignity of being considered by foreigners as an inferior citizen because he has no title. We have life peerages so why no job peerages, held until retirement, or trip knighthoods, with the warrant handed out at the point of exit by the pasport control officer and collected again by him at the point of re-entry? The whole system of titles would then be discredited by dilution—and we could start again with decorations without titles.

Eric Dadson,
Brantwood,
6, Pomona Road,
Shanklin, I.o.W.

Britain's car industry

The great Vauxhall revival

By Kenneth Gooding, Motor Industry Correspondent

THE BRITISH car business has never seen anything as spectacular as the resurrection and rapid rise of Vauxhall-Opel, General Motors' car marketing arm in the UK.

The company ended 1983 with a market share of 14.6 per cent compared with 8.5 per cent two years ago when its sales began to accelerate. Vauxhall-Opel achieved monthly record volumes 10 times last year and a record market share in six months. Its car registrations in 1983 totalled more than 261,000, a jump of 44 per cent on the 1982 level.

Mr John Fleming, Vauxhall's chairman, forecasts the company will sell nearly 300,000 cars in 1984, for a further 15 per cent rise in volume, and will capture 16 per cent of the market—one year ahead of the original target date.

That should give Vauxhall a healthy net profit for the first time since 1978.

The picture is the same elsewhere in Europe. GM's European market share increased from 9.6 to 11.2 per cent last year.

Like so many other success stories, Vauxhall's is the result of careful planning over many years. It began in 1972 when GM, which dominates the U.S. car business and is the biggest producer of vehicles in the world, decided it needed to do better in markets outside North America.

In those territories it trailed behind Toyota and Nissan of Japan, Volkswagen-Audi of West Germany and—worst of all in GM's opinion—its local adversary, Ford.

In 1972 GM set up a strategy team to see how its European business might be made more effective, particularly as Ford was already well down the road to combining its operations there. Two years later GM decided that its Opel subsidiary in Germany should have the responsibility for designing and developing cars for the whole of Europe—including those to be sold by Vauxhall.

By putting together its car business on a European-wide scale, GM could afford to launch a whole range of new models, engines and transmissions. The programme reached a peak of activity towards the end of the 1970s. GM reckons that between 1978 and 1982 it spent \$2.4bn (£1.7bn) on new products and facilities in Europe.

In the UK, to capitalise on all this investment, it merged and strengthened the Vauxhall and Opel dealer networks in 1981-82. The model range sold in the UK was also rationalised.

Mr V. N. F. "Jimmy" Jones, a Vauxhall dealer since the 1930s and now chairman of the Vauxhall-Opel dealer council, says he has seen the company come full circle, from success to disaster and back to success again.

He maintains that Vauxhall's was a product-led revival. "We now have a complete range of cars, superbly built and engineered and with very up-to-date engines." Taking a swipe at some of the new Ford and BL cars, he points out that "some of our competitors only put new body shells around old engines and transmissions."

Mr Fleming, who must take his share of the credit for Vauxhall's success, makes the marketing policy sound relatively simple.

It was, he says, a matter of looking at what the market leader (Ford) was offering and making sure that Vauxhall-Opel matched it with both specification and price. GM would also cast a glance over the products of other significant models in the various market sectors.

However, none of GM's marketing ploys or new products would have produced the effect they have in any market but Britain.

For only Britain has such a substantial company car market. Seven out of 10 new cars are bought with corporate cash in the UK. And as Renault and Fiat in particular have found, unless a manufacturer can capture a reasonable chunk of that corporate business, it is extremely difficult to make progress in Britain.

Conversely, once Vauxhall-Opel had been welcomed by the corporate customers, it was able to make advances in market share at tremendous speed, something impossible in any other country.

Mr Jones, speaking from the sharp end of the business, recalls the breakthrough came with the front-wheel-drive Cavalier, the UK version of GM's \$5bn "world car," also sold on the Continent as the Opel Ascona.

Perhaps the most important question to be asked about GM's success—and it is one which causes endless arguments within the industry—is whether or not it has been of benefit to the UK. Critics say that what's good for General Motors is not necessarily good for Britain.

Only 15 years ago Vauxhall was producing most of the components it required in Britain or buying them from UK suppliers. It was exporting about 50,000 cars annually to the Continent, where it had a well-established dealer network. But the network was disbanded in the late 1970s and the company no longer exports cars.

Last year well over half the cars it sold in Britain were assembled in the plants of GM's Opel subsidiary on the Continent. As a result, Vauxhall-Opel jumped into second place among UK car importers, with its shipments from the Continent totalling 139,000 (up from 79,000 in 1982)—7.76 per cent of the total UK car market.

Most of the cars GM did build in Britain were assembled from imported parts. Vauxhall says the current local content of the Astra is 50 per cent and of the Cavalier 57 per cent.

Vauxhall expects that by the end of 1984 the British content of the cars assembled here will average 60 per cent, and it hopes to push the level even higher.

But 60 per cent local content was deemed totally unacceptable by the UK Government during its discussions with Nissan about the Japanese group's possible British car plant. It was argued that at that level there would be very little benefit to Britain's hard-pressed component industry. The same can now be said about Vauxhall's assembly plants: they spin off relatively little business for other British companies.

Vauxhall is no longer the provider of employment it used to be. In the early 1970s it employed 35,000. Today the total is down to 20,500.

Mr Fleming, a relaxed and affable American, provides laconic answers to all these criticisms. "Sure, our (GM's) policy has not helped Britain's balance of payments. But it has enabled us to stay in business here," he says.

Vauxhall's major investment project at the moment is a £25m re-organisation of the Ellesmere Port plant, part of a £50m programme running through to mid-1986.

This is a relatively modest capital investment programme in motor industry terms. However, GM has had to pump in substantial sums just to keep the UK company going. Since the Vauxhall-Bedford business last made a profit—£1.97m in 1978—its published net losses have totalled £210.7m.

Mr Fleming says before GM pledges further substantial capital investment "Vauxhall and Britain must work to win back credibility with GM as a company, and a country, where you can invest with the expectation of a reasonable return."

But he is much more positive about the company's future marketing performance. Vauxhall-Opel should have no difficulty in adding one percentage point a year to its market share after 1984, he insists.

VAUXHALL MOTORS: KEY STATISTICS

	1964	1973	1981	1982
Vehicle sales (units)				
Home	188,342	185,257	151,490	227,620
Overseas	154,531	73,464	34,926	16,914
Total	342,873	258,721	186,416	244,534
Pre-tax profits (loss) £m	17.9	(4.1)	(57.4)	(37.9)
Employees	32,394	34,365	23,770	20,527

Figures include Bedford Trucks.

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French may net FFr 40bn in Saudi arms deal

By David Housego in Paris

FRANCE'S new arms contract with Saudi Arabia emerged yesterday as by far the largest arms deal the country has signed.

According to reports in Paris, the delivery of a low-altitude air defence system will be worth between FFr 35bn-FFr 40bn ($4bn-$4.6bn) to French companies.

Thomson-CSF, the defence and communications subsidiary of the Thomson group, will have the main share of the contract. Other work will go to Matra and to the Groupement Industriel de l'Armament Terrestre (Giat), the equipment manufacturing wing of the Ministry of Defence.

The new system is designed to provide low-altitude cover for Saudi Arabia's oilfields, military installations and main towns.

It will be operated in conjunction with the high-altitude cover provided by Awacs aircraft supplied by the U.S. According to French press reports, Saudi Arabia is investing $10bn in air defence, of which France's share is about half.

Increased tensions in the Gulf as a result of the Iran-Iraq conflict, has added urgency to the project. France and Saudi Arabia have been firmly on the side of Iraq, to which France recently delivered five Super Etendard aircraft, equipped with Exocet missiles.

The new system provides a mobile defence based on Shahine (falcon's eye) missiles, fitted to tanks or other vehicles. It is the third order France has won from Saudi Arabia for air defence equipment.

In 1975 Thomson won an initial order to provide low-altitude cover, based on the Crotale missile, for an armoured corps of French-built AMX-30 tanks.

That was supplemented in 1979 by an order of undisclosed size for the Shahine missile, which is derived from the Crotale.

Lynton McLain in London writes: The French deal is almost certainly one of the largest export contracts for conventional defence equipment placed with a European country.

AT&T hit by $185m charge

By Terry Dodsworth in New York

AT&T, THE U.S. telecommunications giant, is to take a $185m charge against its 1983 earnings after losing an anti-trust suit it had been fighting since 1976.

The charge will be borne by the consolidated group that has been dismantled into eight constituent parts comprising the new AT&T telecommunications manufacturing company and seven regional telephone operating units. AT&T said yesterday that $40m of the total would be taken against the manufacturing unit, with the other $145m spread across the regionals.

AT&T warned in its accounts a year ago that it might lose the anti-trust case, brought by Litton Industries, the electronics and office equipment conglomerate. Litton went to court on the issue of illegal monopolisation of the manufacture and sale of business telephone terminal equipment, while accusing AT&T of illegally requiring companies to purchase connecting devices before they hook up to AT&T cables.

The case was adjudicated 18 months ago, but since then AT&T has been fighting to go to an appeals court – a request that was refused yesterday.

The award against the company amounted to $276m, but AT&T said that would be reduced to $185m after tax. The charge would have no impact on 1984 net income. In early trading yesterday the new AT&T share price moved up $⅛ to $18⅞.

Italy fails to win larger steel quota from EEC

BY JAMES BUXTON IN ROME AND PAUL CHEESERIGHT IN BRUSSELS

ITALY'S attempt to win support for its demand of an extra 1.2m tonnes of steel quota within the EEC's steel crisis regime was cold-shouldered by the European Commission yesterday.

Three Italian ministers pleaded their case with the Commission in Brussels in order to permit the reopening of the Bagnoli plant near Naples, which has recently been expensively modernised. Their request is part of the restructuring plan put forward by Finsider, the state steel company, in response to the Commission's demand last June for heavy cuts in Italian steelmaking capacity.

Viscount Davignon, the EEC Industry Minister, noted, however, that the demand for extra quota was not a matter for the Commission alone. That was a reference to the Council of Ministers meeting planned for January 26 when the future of the steel crisis regime will be settled. The Italian demand is then likely to receive scant sympathy from the other nine member-states because of the slowness of the Italian steel industry's restructuring programme.

Rome is supposed to submit an approved programme of how it intends to cut capacity by the end of this month.

The three Italian Ministers, Sig Renato Altissimo (industry), Sig Clelio Darida (state shareholding) and Sig Francesco Forte (responsible for EEC affairs) attempted to justify their request for the increased quota mainly on the ground that Italy has a trade deficit in flat products which the newly installed capacity at Bagnoli would help to remedy.

Sig Bettino Craxi's Government is under strong pressure from trade unions to reopen the Bagnoli plant, where most production ceased nearly 18 months ago. The authorities fear that serious disturbances may break out in Naples if the complex does not reopen.

Finsider, which yesterday formally presented shareholders with an alarming picture of its financial situation, says it will not reopen Bagnoli unless it obtains the additional quota in flat products.

The remainder of Finsider's plan requires the formal approval of the Rome Government, and the prospects of that being obtained in the next few days receded sharply at the weekend when Christian Democrat Ministers refused to agree a draft law to allow state-financed early retirement for steelworkers in the threatened plant.

Last summer the EEC called for cuts of 5.8m tonnes in Italy's steelmaking capacity, 4.8m tonnes in the public sector. Finsider's plan involves a net cut in the public sector of 3.8m tonnes, taking into account the modernised Bagnoli plant.

Progress in finding the remaining 2m tonnes of cuts in the private sector is slow, as the terms of new legislation to compensate private-sector companies for closures are not yet known. The Italian representatives will therefore present themselves at the Council of Ministers' meeting on January 26 with little more than plans which the Government may not implement.

The alarming state of Finsider's finances was underlined at a shareholders' meeting yesterday, called to point out that the company's losses in the first nine months of 1983 – L1,6318bn ($960m) – exceed a third of the company's capital.

Although no decisions were taken yesterday, the capital of Finsider will have to be written down to absorb the loss. An injection of L3,000bn this year and L2,000bn next year in new capital from the Government will be necessary, although that has yet to be approved by parliament.

The loss of L1,638bn in the first nine months of 1983 compares with one of L1,312bn in the corresponding period of 1982. Sales were down 8.4 per cent and production by 12.7 per cent.

Brussels likely to seek cut in British strip-mill capacity

BY PETER BRUCE IN LONDON

THE BRITISH Government is likely to come under great pressure from the European Commission in Brussels in the next few weeks to make further cuts in strip mill capacity. This could threaten one of the British Steel Corporation's three remaining hot strip mills.

There is broad scepticism in the Commission, whose approval is necessary for state aid to BSC, at Whitehall's efforts to wean the Corporation off subsidies in time to meet a Community deadline by the end of 1985.

It is understood that in a recent exchange of letters between London and Brussels the Commission rejected UK financial projections which suggested that the corporation would make a profit of about £50m ($69.5m) by the end of 1986. The Commission is understood to have told the Government that a financial loss, perhaps of the order of £300m, was more likely.

The Department of Trade and Industry would not confirm last night that the exchange of letters had taken place but an official said the Government was "still in discussion with the Commission" over BSC's prospects.

The huge difference between the views of the Government and the Commission on BSC profitability casts fresh doubt over the future of the integrated works at Ravenscraig in Scotland and at Llanwern in South Wales. Extensive modernisation is being carried out at the third strip works at Port Talbot, also in South Wales, and its future is considered secure.

The Government has just over two weeks to prepare proposals for the Commission which will detail plant closures designed to reduce BSC's capacity in hot-rolled products by 700,000 tonnes. The proposals have to be lodged in Brussels by January 31. They will have to detail cuts of 500,000 tonnes ordered last June and a further 200,000 tonnes ordered by the Commission

Both Ravenscraig and Llanwern are capable of producing more than twice the amount of strip than the 700,000 tonnes the Commission is looking for and BSC had hoped to achieve the cuts through minor closures or privatisation measures on the margins of its business.

Commission officials made it clear in Brussels last week, however, that the emphasis of their decisions on releasing further aid would, in future, be tied more closely to financial prospects of individual producers.

The Commission made it clear last June that BSC's hot rolled strip capacity was, in its view, excessive.

"In the case of BSC, on the basis of (its) volume of sales assumptions with no further reductions in the capacity of production for hot rolled wide strip, the level of capacity utilisation for this product will be about 60 per cent in 1986. In view of the importance of the production of hot rolled strip to BSC's activities such a level of capacity utilisation does not appear to be sufficient to guarantee the firm's viability."

Soon after this Mr Frans Andriessen, the Commissioner in charge of competition policy, suggested BSC should close a strip mill.

Moscow cool on Reagan initiative

Continued from Page 1

Mr Reagan has been under pressure from U.S. Allies in Nato to broaden the dialogue with the Soviet Union following its withdrawal from the arms talks in Geneva and Vienna before Christmas. But, with the presidential election campaign warming up, and Mr Reagan expected to announce later this month that he will be a candidate for re-election, domestic political pressures are mounting, too.

Opinion polls have been reflecting growing unease among U.S. voters about U.S.-Soviet tensions. With the economy performing favourably, leading Democrats in recent weeks have been stepping up attacks on the Administration's foreign policy, accusing the president of "nuclear irresponsibility" and questioning the sincerity of his negotiating stance in arms talks.

Bridget Bloom in Stockholm writes: Mr Gromyko, in a brief statement on his arrival in Stockholm last night, said the Soviet aim at the conference was to "create confidence between countries in the interests of peace." It was too early to predict results, but Moscow "will do everything" to achieve a positive outcome from the conference."

The first week of the conference is expected to be dominated by set speeches, but Nato foreign ministers were last night believed to be putting the final touches to a package of proposals which will recommend considerable extension of existing measures to build military confidence.

There is little optimism on the Western side, however, that there will be early progress either on the substance of the conference or on the resumption of arms control talks.

M Claude Cheysson, the French Foreign Minister, said after a meeting with Mr Gromyko last night that in his view the Soviet Foreign Minister would strongly reaffirm established Soviet conditions this week. Mr Gromyko was said to be in no mood to make concessions to the U.S. position.

Hussein makes overture to Egypt

Continued from Page 1

ment had no intention of attempting to decide the Palestinians' future for them.

"We are hopeful that the PLO will respond to our sincere endeavours to crystallise a practical formula that will enable us all to perform our duty towards Jerusalem and Palestine," the king said.

Mr Arafat is expected to visit Amman shortly to resume the negotiations on a joint approach to peace moves which he broke off last April. However, the precise timing may depend on the advice of King Hussein's doctor, who has been treating him in hospital for a stomach ulcer.

King Hussein had warned earlier that the Arab region was standing at a crossroads with "colossal events" threatening to engulf it. He referred particularly to the aggression and fanaticism shown by Iran in its war with Iraq; to the "dangerous omen" that events in Lebanon could indicate for the region; and to Israel's "colonisation and gradual annexation" of the West Bank and Gaza.

The Jordanian army was ready to face any external threat, said the king, adding that despite the country's financial difficulties he considered the establishment of a people's army being one of his top priorities.

Bonn faces untidy end to Veba share disposal

By Jonathan Carr in Frankfurt

THE FIRST part of the operation to put more shares of Veba, the diversified West Germany energy concern, in private hands has gone like clockwork. The second part, which is now starting, looks like being tougher. The Bonn Government, which started the ball rolling, might even be in for an embarrassment.

It is nearly three months since the Government proudly announced that it planned to cut its stake in Veba, the country's biggest industrial group in sales terms, from 43.75 per cent to 30 per cent. This involved putting on the market 4.4m Veba shares with a nominal value of DM 222m ($79.2m). Not only would the action prove that the Government meant business when it talked about cutting state influence in industry, it would also, net Bonn close to DM 800m at current share prices, which it would use to reduce Government borrowing.

The consortium, led by Deutsche Bank and Dresdner Bank, which has been placing the shares on the market now reports its operation successfully complete. It said it met a lot of interest in the sale, and this is not surprising. In the first nine months of last year (the latest period for which figures are available) Veba boosted net profits by nearly 17 per cent to DM 224m, although sales revenue fell to DM 35.6bn. Veba will almost certainly maintain its 15 per cent dividend for 1983 and may even increase it this year.

About two-thirds of the shares placed by the consortium are understood to have gone to private individuals and the rest to institutional buyers. Less than one-sixth are thought to have gone to foreign buyers, although the company, with its major interests in atomic power, oil, natural gas and chemicals, looks a good investment for non-Germans too.

However, a largish number of other shares (it is not clear exactly how many) have been earmarked by the Government for offer to those people qualifying for a state-backed savings scheme. The scheme was in any case being boosted this month to encourage lower income earners (with a maximum DM 24,000 annually for a single person, or DM 48,000 for a married couple) to put some of their money into shares and investment certificates. If they do they get a Government bonus. It seemed a good idea to reserve some of the Veba shares specially for this category of earner.

But there are now widespread fears that the plan may founder. For one thing the scheme has not been widely advertised until very recently, and those who want to take advantage of it must do so between January 16 and 27.

Moreover, to receive the Government bonus, investors (who are allowed a maximum of six Veba shares) must agree not to sell their stake for six years. This is felt to be a grave drawback. Last year alone Veba shares swung between a low of DM 136 and a high of DM 183. Who can hazard a guess where they might be in six years? The upshot is that the Government may find that it still has shares on its hands when the January 27 time limit is past, despite its good intentions.

China's plans for Hong Kong

Continued from Page 1

Zhao Ziyang, the Chinese Premier, said in the U.S. last week that Hong Kong's social and economic systems and way of life would be unchanged for 50 years after China took charge.

Ji listed the conditions under which post-1997 Hong Kong would take shape as a Special Administrative Region.

He said that the new administration would be run by Hong Kong officials drawn from the present resident population, and not mainland-based bureaucrats.

Key officials would be chosen after consultation with or election by the Hong Kong people and be appointed by the Chinese Government.

Ji added that China would take over defence and foreign policy, but Hong Kong would retain the power to sign agreements with other countries and outside organisations on economic and cultural matters.

In addition Hong Kong would have its own rights and legal system and its own final court of appeal.

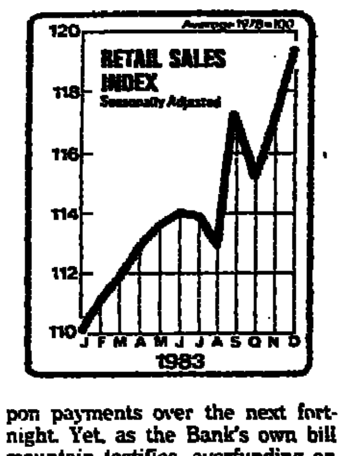
The Special Administrative Region would have financial autonomy and form its own economic policies and retain free port status.

Under the conditions, the administration would be able to issue its own entry and exit visas, and Hong Kong's foreign exchange, stock and gold markets would continue to operate.

THE LEX COLUMN

Funding a nation of shoppers

If the Bank of England is troubled by the present surge in bank lending, it need be in no doubt about where to point the finger of blame. Last week's money-supply figures hinted strongly that consumer credit was the culprit and yesterday the High Street owned up. The December retail sales index shows a rise of no less than 2 per cent over the previous month, seasonally adjusted.



The figure is admittedly provisional and it may well be that the adjustments failed to compensate adequately for the early start of the sales season and the unusually good Christmas weather. None the less, the sharp recovery from late summer is now well established and the overall message is unambiguous. The notion that some immutable lower limit will prop up the UK savings ratio has suffered a serious reverse. All the evidence – statistical and anecdotal – points to real growth in retail sales running higher than the growth in average earnings.

Yesterday's CBI-FT survey on the distributive trades suggests that part of the latest spending wave should wash back to suppliers. The Christmas season appears to have depleted wholesalers' stocks, while the expectation of a buoyant January – increasingly being confirmed by the retailers themselves – should by now be having a positive effect even on manufacturing order books.

Since it is the relative slackness of corporate loan demand (together with official over-funding) which is keeping the monetary aggregates anywhere close to their target range, a broadly based rise in the demand for stock finance would considerably complicate the Chancellor's arithmetic on March 13.

For the time being, the Bank of England is doing all it can to keep the aggregates on course. The extremely attractive terms of the tap stock announced on Friday suggest that the authorities are now funding with some urgency. Yesterday, the Government Broker was back in action, selling some of his Treasury 2½ per cent index-linked and passing back to the market a fair dollop of the Exchequer 11¼ per cent stock which has just gone ex-dividend for the last time.

The funding climate could hardly be sunnier than it is at the moment. Building society inflows remain at close to record levels and the market is set to receive £1.3bn in coupon payments over the next fortnight. Yet, as the Bank's own bill mountain testifies, overfunding on the grand scale is not a trouble-free exercise.

Wytch Farm

Criticised for selling the Wytch Farm oil interests too cheaply – at £160m – the British Gas Corporation's negotiators now seem to have been vindicated. The state group's implicit justification for the apparently low price was that it compensated the buyers for the risk that environmentalists might frustrate the development of the field. The fact that the corporation has now been forced to sweeten the deal by guaranteeing to return the purchase money if planning consents are not forthcoming suggests that the original bargain may have been harder than it looked.

Since the bidders appear not to be conceding anything – such as increased participation rights – in return for the reduction in their risk, the advantages of the new deal seem rather one-sided. But the possibility remains that environmental considerations may retard Wytch Farm's production and defer the payback on the investment for several years.

SGB Group

The halcyon days of the 1970s exports boom must look more distant than ever at SGB Group. The long decline in new construction activity and scaffolding requirements in the Middle and Far East has now cut these areas' joint contribution from 1981–82's £3½m to about £1m in the latest year to September, producing also a marginal fall in the group's total second-half turnover. At the same time, SGB's local businesses in every overseas market except South Africa have seen lower profits in 1982–83. Against this background, the slow recovery of most of the UK subsidiaries has lifted domestic earnings but left group pre-tax profits down 36 per cent from £11.4m to £7.2m.

Mergers pushed through by both GKN and BET have added to the gathering consolidation of the UK scaffolding industry in 1983. This has not much eased the pressure on margins from overcapacity – although rates have stabilised – but it has encouraged speculation about a bid for SGB. At 150p, the shares have recovered from a mid-year low of 110p. But prospective bidders inside the industry will have to contend with monopoly considerations while those outside it might well ponder the latest gloomy commercial building forecasts. Meanwhile, SGB is quietly proceeding with its own acquisitions programme, which has now lifted net debt to about 50 per cent of shareholders' equity.

Strong & Fisher

It is astonishing what an effect the slightest association with Mr Asil Nadir can have on a share price. Strong & Fisher's shares have trebled in value since last October – when the possibility of Mr Nadir's injecting some capital into the company was first discussed – and at 230p they now stand 8½ times higher than their 1983 low.

Strong's trading performance has been improving rapidly in the last few months – after the deepest of recessions – but it would be fanciful to suppose that the enhanced trading prospects have had very much to do with the share price; so perhaps it is reasonable that Mr Nadir has been able to subscribe for his quarter of the enlarged equity at some discount to the inflated prices ruling in the market.

It is nevertheless remarkable that the subscription price is pitched at a discount to yesterday's price of just a touch under 70 per cent. This is partly to be explained by Strong & Fisher's pleasure at being offered the chance to move into a Turkish orbit; feasibility studies suggest that an abattoir in Turkey would be adequately supplied by the Turkish sheep population and its output would find a ready market in the lamb-eating Islamic world.

Medical Emergencies Abroad

Why is it that the British Olympic Association has officially appointed Trans-Care International as the medical assistance organisation at the 1984 Olympic Games? Why is it that leading organisations like Bank of America, Blue Circle Industries, British Aerospace, Telephone Cables, Honda, Guinness Peat Int., NatWest Bank have joined our Company membership Plan? Because, they all realise that personnel overseas must have immediate access to medical assistance experts who will make all the arrangements to air evacuate patients from any country in the world, day or night, all year round.

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World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	S	13	55	Dubrovnik	S	12	54	Malaga	S	16	61	Salzburg	Sn	3	37
Akrotiri	S	16	61	Faro	S	15	59	Malta	-	—	—	Seoul	S	-8	21
Algiers	S	17	63	Florence	S	10	50	Manila	S	31	88	Singapore	C	29	84
Amsterdam	R	4	39	Frankfurt	C	3	37	Miami	C	22	72	Stockholm	C	-1	30
Athens	R	13	55	Funchal	F	17	63	Milan	S	10	50	Strasbourg	C	6	43
Bahrain	S	22	72	Geneva	C	6	43	Moscow	C	0	32	Sydney	R	23	73
Bangkok	S	33	91	Gibraltar	F	17	63	Munich	S	3	37	Taipei	C	15	59
Barcelona	F	12	54	Guernsey	R	9	48	Nairobi	F	27	81	Tangier	S	17	63
Beirut	F	18	64	Helsinki	-	—	—	Naples	S	13	55	Tehran	-	—	—
Belgrade	C	0	32	H. Kong	C	16	61	New Delhi	C	23	73	Tel Aviv	C	14	57
Berlin	F	4	39	Innsbruck	Sn	1	34	New York	C	-1	30	Tenerife	C	19	66
Biarritz	S	13	55	Inverness	C	1	34	Nice	S	15	59	Tokyo	S	7	45
Blackpool	R	4	39	Istanbul	R	7	45	Oporto	S	11	52	Toronto	S	-1	30
Bordeaux	F	11	52	Jersey	R	9	48	Oslo	F	-8	18	Tunis	S	16	61
Brussels	R	5	41	Jo'burg	S	23	73	Paris	C	7	45	Valencia	S	14	57
Budapest	F	4	39	Las Palmas	C	20	68	Prague	-	—	—	Venice	S	5	41
B. Aires	S	31	88	Lima	S	26	79	Reykjavik	S	-11	12	Vienna	F	4	39
Cairo	C	14	57	Lisbon	S	10	50	Rio de J'o	S	41	106	Warsaw	C	2	36
Cape Town	S	27	81	Locarno	S	8	46	Rome	S	14	57	Zurich	C	4	39
Caracas	S	28	82	London	R	7	45								
Casablanca	F	16	61	Los Angeles	C	17	63								
Copenhagen	S	2	36	Luxembourg	C	2	36								
Corfu	T	14	57	Madrid	S	6	43								
Dublin	C	12	54	Majorca	S	15	59								

Readings at mid-day yesterday:

C-Cloudy D-Drizzle F-Fair Fg-Fog H-Hail R-Rain S-Sun Sl-Sleet Sn-Snow T-Thunder

Rival bid for Fabergé

BY OUR NEW YORK CORRESPONDENT

A RIVAL bid for Fabergé, the U.S. toiletries and cosmetics group, was launched yesterday by McGregor curporation, a New York company that earlier opposed leveraged buy-out proposals from th New York investment bank Gibbon, Green, Van Amerongen.

McGregor is bidding a share in cash for 2.2m of Fabergé's common shares and is proposing to pay for the other 3.4m shares with a package of its own paper. Those securities have been valued by Lehman Brothers Kuhn Loeb and Drexel Burnham Lambert, the investment bankers for Fabergé and McGregor alike, as the equivalent of $32 for each Fabergé share.

McGregor says that it also already owns or has contracted to acquire about 1.2m Fabergé shares.

Both offers for Fabergé are well above its 1983 trading range of $17 to $25, and its stated book value of $22 a share.

The company's exploration of a leveraged buyout followed the disclosure by Shamrock Holdings, a group owned by Mr Roy Disney a nephew of the late Mr Walt Disney, that it might launch a proxy battle for control of Fabergé.

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FINANCIAL TIMES
Tuesday January 17 1984

Focus on Olivetti
See centre pages...

Chase profit rises 9.7% backed by securities trading

BY WILLIAM HALL IN NEW YORK

CHASE MANHATTAN, the third biggest U.S. banking group, increased its net income in the fourth quarter by 9.7 per cent to $110.1m, but in common with other big U.S. banks which have recently reported, the improvement can be accounted for by a turnround on the securities trading operations.

For the full year, Chase increased its net income from $307.5m to $429.6m or $10.96 per share against $7.73 per share. However, the improvement reflected the absence of the $117m after-tax loss resulting from its involvement in the Drysdale affair.

Chase's sluggish performance contrasted with that of First Chicago, which yesterday reported a 15 per cent increase in its fourth-quarter net income to $47.9m, and a 34 per cent increase in the figure for the full year to $183.5m.

Chase's performance continues to be affected by its large non-performing loan portfolio. In 1983 it wrote off another $40m of loans acquired from the failed Penn Square Bank which followed a $75m write off in 1982.

In contrast with some other banks which have recently reported, Chase's non-performing loan portfolio of approximately $1.9bn showed no decline in the last quarter of the year. The company estimates that the negative impact on 1983 net income of its non-performing loans was $70m after tax, which compares with $75m in 1982.

First Chicago said that its fourth-quarter results, when it earned $1 per share were the second best on record and only bettered by the third quarter of 1983, when the company earned $1.05 per share.

As a result of the impact of preferred stock issued, First Chicago's growth in earnings per share totalled 18 per cent in 1983, compared with the 34 per cent growth in aggregate net income.

Bank of Montreal expects improvement in profits for fiscal 1984, although domestic loan business continues slow in the current first quarter and foreign business is highly competitive with very tight margins, writes Robert Gibbens.

Mr Grant Reuber, president, said after the bank's annual meeting that good economic growth should resume in Canada in the second quarter of 1984 and the bank would show some gains in assets overall.

NCR lifts earnings to record $288m

By Terry Dodsworth in New York

NCR, the U.S. business systems company, and the country's fifth largest computer manufacturer, achieved a 23 per cent rise in profits last year to a record $288m.

The results are the equivalent of $10.55 a share against $9.75 a share in 1982, and follow an exceptionally strong fourth quarter in which earnings advanced from $94m, or $3.47m a share, to $114m or $4.20.

Mr Charles Exley, president, said that the company had benefited from the effective control of costs, expenses and asset levels, and that NCR had begun 1984 in the strongest financial position in recent history. The fourth-quarter earnings gain was generated on an increase in sales of only 7 per cent, from $1.06bn to $1.14bn.

For the year as a whole, sales were up by 6 per cent to $3.7bn against $3.5bn in 1982.

Mr Exley added that incoming orders were also up substantially both for the final quarter and for the year. "The order improvement occurred in the U.S., Europe and the Far East and across our major product areas," he said.

A MAJOR UK BANK RE-EXAMINES A U.S. SUBSIDIARY

Midland weighs its options with Crocker

BY DAVID LASCELLES, BANKING CORRESPONDENT, IN LONDON

WHERE DOES Midland Bank go next with Crocker National Bank, its trouble-plagued U.S. subsidiary?

Mr Geoffrey Taylor, Midland's chief executive will be in San Francisco this week to talk to Mr John Place, the chairman, and the rest of Crocker's top management. Today there will also be a board meeting before the announcement of Crocker's 1983 results, which will confirm the $107m bad loan charge and resulting $10m loss revealed last month.

The key question is how Midland will achieve the tighter control over Crocker which it says it wants. And all the indications are that this tough decision is taking its toll on the top management at the UK's third largest bank.

Can it be done within the terms of 1981 agreement under which Midland bought 53 per cent, pledging "maximum operational autonomy"? Or will Midland have to scrap the agreement and buy 100 per cent ownership? Does it even want to keep Crocker?

The official Midland line is that all options are being considered. "We want to decide this on our own terms," said a senior executive last week, referring to intense speculation about a buyout which has driven the Crocker share price up from $25 to $30 since the New Year.

The argument in favour of a complete buyout is that this would demonstrate Midland's determination to get a grip on its $820m investment, which has so far earned it scarcely a cent. Even after the recent increase, Crocker shares stand at less than half the $68 for which Midland bought its stake, so that it could still buy the rest relatively cheaply and average down its total cost.

Midland also has $250m left of a $400m shelf registration with the Securities and Exchange Commission that would allow it to raise a large sum of money at relatively short notice on Wall Street. A neat solution, but not that easy to put into effect.

For a start, the agreement bars Midland from buying any additional stock in Crocker before October 1985. That clause could be changed with the approval of the boards of both Crocker and Midland. But the present Crocker management, which obviously wants to remain as free as possible, would probably put up a fight. Midland's board might also have doubts about authorising another massive outlay, especially after seeing Midland's own share price dip on last week's buyout rumours.

The cost of buying the rest of Crocker's stock would also be much higher than market prices suggest. The present book value of Crocker is about $60 a share – more than twice recent trading levels. Although Midland would be able to mount a bid at less than that, given Crocker's poor record, it would be asking for trouble from Crocker's existing shareholders if it went much below $50 according to some Wall Street analysts.

A $50 a share bid would cost about $550m, which is probably more than Midland's balance sheet could stand without another rights issue, and it is only five months since it went to shareholders for £155m ($217m).

Full ownership of Crocker would

Mr John Place, chairman of Crocker National Bank

also expose Midland to California's controversial unitary tax, from which it is currently exempted by a special arrangement. This means Crocker would have to pay corporation tax on the basis, not of its own operations, but of those of the entire Midland group.

All this suggests that Midland has powerful reasons for trying to sort Crocker out within the existing agreement and for resorting to more drastic action only if that does not work.

In that event, Midland will have to prove that it can do a better job of running a Californian bank than the present management.

But speculation about a Midland bid was not the only reason for the sharp rise in Crocker's share price. Another Midland option is to use Crocker's strong balance sheet to buy in stock and increase its percentage ownership that way. This would also boost earnings per share and hence raise the value of Midland's stake.

Less likely – though apparently weighing on some Crocker shareholders' minds – is the possibility of Midland pulling out altogether. Yet Midland has invested so much of its capital, and prestige, in Crocker that such a step would be nothing short of a major humiliation

Ironically, whatever Midland does will, in the first instance, primarily benefit the minority shareholders who are much closer to being able to sell at a profit. Midland's first priority must be to clean out the balance sheet.

Dow Banking may increase dividend

BY JOHN WICKS IN ZURICH

DOW BANKING Corporation, of Zurich, expects to increase its dividend again this year after having booked "very high" gross earnings, according to Mr Leslie G. Merszei, vice-chairman.

The bank cut its dividend from 9 per cent to 4 per cent last year despite an improvement in gross profits from SwFr 15.m ($7.06m) to SwFr 21.3m. This was necessary due to a sharp increase, from SwFr 1.9m to SwFr 14.m, in depreciation and provisions, mainly in connection with sovereign risks and an outstanding credit to International Harvester.

Last week, it was announced in the U.S. that the 75 per cent stake held in the bank by Dow Chemical Company will be taken over by Dow Financial Services Corporation, a company to be formed in Delaware.

● Sales of the Swiss-owned restaurant and hotel group Mövenpick reached a record level of SwFr 625m last year, an increase of more than 10 per cent over the 1982 figure. At the same time, consolidated cash flow rose by 13.5 per cent to a new high of SwFr 29.5m.

● Von Roll, the Swiss engineering group, will return a further loss for the past calendar year, according to a statement issued by the Gerlafingen-based parent company. However, results will be "noticeably" better than for 1982, despite high retrenchment costs.

In 1982, group losses had amounted to SwFr 46m.

West German engineer back in the black

By John Davies in Frankfurt

ORENSTEIN and Koppel (O&K), the West German engineering and construction equipment group, has returned to profitability after three years of losses.

O&K, which has been carrying out rationalisation measures, said it would report a small profit for last year, although it gave no figure in its preliminary statement.

The company declined to say yet whether it would resume paying a dividend.

The parent company's sales rose 25 per cent to DM 1.13bn ($403m) last year.

O&K's difficulties led to a DM 49.6m loss in 1980, but it steadily reduced the losses to DM 46.9m in 1981 and to DM 10.1m in 1982.

The group has overhauled its product range and concentrated production on fewer factories. The workforce has been steadily trimmed, and last year declined by a further 8 per cent to about 5,900.

O&K said that all its product divisions contributed to last year's improved result.

Management reshuffle at Bofors

By David Brown in Stockholm

BOFORS, the Swedish armaments group, has reported a management shift in advance of the retirement of its chairman Dr Lars-Erik Thunholm, who is also board chairman of Skandinaviska Enskilda Banken, the country's largest commercial bank.

The Bofors board has appointed its current president Mr Claes-Ulrik Winberg to succeed as chairman in January, 1985. The new president will be Mr Anders G. Carlberg, now managing director of J. S. Saba, Sweden's largest retail and wholesale trading group, which has been dominated by the same owner – the Asken investment group controlled by financier Mr Eric Penser.

Bofors, which is based in the south of Sweden, is to move its general corporate management to Stockholm, where Mr Carlsberg, together with the finance director and controller, will begin working out "details of management changes" starting this June.

Mr Carlsberg, is to focus on strategic developments, including possible acquisitions, in chemicals ordnance and plastics, according to sources. Bofors has liquid assets of about SKr 1bn ($122m).

The group suffered a 53 per cent drop in pre-tax profits to SKr 50m for the first eight months of 1983 with lower volumes and heavy costs associated with layoffs.

Ciba-Geigy reports 7% sales revenue increase

BY OUR ZURICH CORRESPONDENT

CIBA-GEIGY, the Swiss-based chemical group, lifted turnover by 7 per cent last year to SwFr 14.73bn ($6.54m), according to the parent company in Basle. In terms of local currencies, sales were up by 9 per cent over the 1982 levels.

This increase in turnover was accompanied by a rise in operational group profits to above the SwFr 622m post-tax record set in 1982. Exact details of consolidated earnings are to be disclosed at the end of next month.

Reflecting the overall growth in the world market, pharmaceutical sales went up by 8 per cent last year to SwFr 4.42bn. In the field of agrochemicals and allied products, Ciba-Geigy's second largest division, turnover increased by 4 per cent to SwFr 3.58bn despite Government measures in the U.S. to reduce crop acreage.

The plastics and additives division benefited from economic recovery, particularly in the U.S. and Asia, with sales rising by 14 per cent to SwFr 2.93bn, while dyestuffs and chemicals sales went up 3 per cent to SwFr 2.2bn.

Discussions resume on Swiss bank stake sale

BY OUR ZURICH CORRESPONDENT

NEGOTIATIONS for the sale of a controlling interest in Gotthard Bank, of Lugano, have been taking place in recent weeks with a number of potential buyers for the stake held in the Swiss bank by Banco Ambrosiano Holding (Luxembourg).

This company, itself an affiliate of Banco Ambrosiano of Milan, holds a direct stake of 45 per cent in Gotthard Bank, and indirectly owns further shareholding of over 5 per cent.

The board of the Luxembourg holding company, whose decisions are subject to approval from the Grand Duchy's authorities, is understood to have met interested parties in Luxembourg and elsewhere.

The controlling stake in Gotthard Bank has been the subject of bids for over a year now. An independent valuation of the stock was made in August, 1982. Last February, when bids were being examined by the Luxembourg company's board, Dr Fernando Garzoni, the bank's chairman, said "various types of solution" were being looked at.

Kuwait-Gulf UK talks

BY IAN HARGREAVES IN LONDON

KUWAIT PETROLEUM is on the point of buying Gulf Oil's UK refining and marketing operations, according to a report from the Kuwaiti news agency.

The agency said the company's officials were declining to comment to avoid affecting the price during the final stage of negotiations.

There has been speculation that the Kuwait company would buy Gulf's UK downstream interests, since it bought most of the American company's other European refining and marketing activities last year.

La Rinascente boosts turnover by 15.4%

By Alan Friedman in Milan

LA RINASCENTE, one of Italy's largest retailing groups, yesterday announced a 15.4 per cent increase in its 1983 turnover, to L1,814bn ($1.07bn). This is in line with the Italian inflation rate over the period.

The retailing group, with 14 department stores and interests in supermarkets, do-it-yourself and fast food outlets, saw its share price close last night at L412 on the Milan Bourse, against last Friday's price of L397. The share price has risen by nearly 20 per cent over the past fortnight, largely on rumours of a healthy improvement in the group's 1983 profitability, which was not disclosed yesterday. In 1982 the group made a profit of L32bn ($19m) on turnover of L1,572bn.

Alfa-Laval to buy West Chemical unit

By Our Stockholm Correspondent

ALFA-LAVAL, the Swedish dairy equipment and process engineering group, is to acquire the West Agro division of the U.S. West Chemical Products company for an unspecified sum, it announced yesterday.

West Agro manufactures and distributes disinfectants, cleaning and hygiene products mainly for the U.S. market. With an annual turnover of $18m, it employs 113 people at its head office in Kansas City, Missouri, and at manufacturing units in Chicago, Illinois, and Hamilton, New York.

It is the leading manufacturer of hygiene products based on iodine which have a potential for markets outside the U.S., Alfa-Laval said in a short release.

The acquisition will provide distribution channels for Alfa-Laval's agricultural products in the U.S. and will make it the third largest manufacturer of the West Agro group of products.

Leveraged buyout for Royal Crown

ROYAL CROWN Companies, the fifth largest group in the U.S. soft drinks industry, has agreed to merge into Peachtree Holding Corporation for $37 a share in cash through a leveraged buyout. The buyout, which values Royal Crown at over $300m, is subject to the arrangement of financing and shareholder approval.

Peachtree is owned by Royal Crown chairman Mr William T. Young, Mr David A. Jones, a Royal Crown director, and Mr Donald A. McMahon. Royal Crown's president.

Reuters

Malayan Banking Berhad
US $60,000,000
Negotiable Floating Rate Dollar Certificates of Deposit due 1987 Tranche B
In accordance with the provisions of the Certificates, notice is hereby given that the rate of interest for the period from 18th January 1984 to 18th April 1984 has been established at 10 per cent per annum.
The interest payment date will be 18th April 1984. Payment which will amount to US $6,319.44 per Certificate, will be made against the relative Certificate.
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STANDARD CHARTERED BANK PLC
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DECEMBER 1983

CONTRACTS AND TENDERS

PREQUALIFICATION NOTICE FOR CIVIL WORKS

HIS MAJESTY'S GOVERNMENT OF NEPAL
MARSYANGDI HYDROELECTRIC PROJECT

The Marsyangdi Hydroelectric Development Board, on behalf of the Ministry of Water Resources, invites experienced Contractors to be prequalified as Tenderers for the civil works (Lot 1.1 and/or Lot 1.2) for the Marsyangdi Hydroelectric Project in Nepal. His Majesty's Government of Nepal (HMG) has applied for co-financing the civil works of Lot 1.1 from the Saudi Fund for Development (SFD), the Kuwait Fund for Arab Economic Development (KFAED) and the Organisation of Petroleum Exporting Countries (OPEC) and for financing of Lot 1.2 from the World Bank (IDA Credit), the proceeds of which would be used for the civil works of the Marsyangdi Hydroelectric Project (88 MW) in Nepal. There is no commitment on the part of the financing institutes to finance the works until such time as the financing is approved and becomes effective. Procurement for such civil works will be in accordance with the guidelines and procurement under the financing institutes' loans and credits.

Salient features of main structures and quantities of main civil works involved are as follows:

Lot 1.1 — Main Structures:	
Diversion Concrete Weir	
width	90 m
height	30 m
gates	14 x 16 m
Quantities:	
Soil excavation	1,500,000 m3
Rock excavation	20,000 m3
Embankment	350,000 m3
Concrete	140,000 m3
Lot 1.2 — Main Structures:	
Headrace Tunnel	
length	7,100 m
diameter	6.4 m
Powerhouse (3 shafts) each with	
height	38 m
diameter	16 m
Quantities:	
Underground excavation	380,000 m3
Concrete	110,000 m3

Contractors wishing to be included in the list of prequalified Tenderers for the Civil Works of Lot 1.1 and/or Lot 1.2 should apply for the Prequalification Documents in one original and one copy to:

Marsyangdi Hydroelectric Development Board (MHDB)
The Project Manager
Marsyangdi Hydroelectric Project
Thapathali, Kathmandu, Nepal
Telex: 2312 JASROT NP

or to the Consultant:
Lahmeyer International GmbH
Lyoner Strasse 22
Postfach 71 02 30
D-6000 Frankfurt/Main 71
Telex: 0413478 LI D

Required Prequalification Documents can be obtained from either above offices from January 16th, 1984, onwards.

Application should be accompanied for each lot by a bank voucher of NRS 2,000 (two thousand Nepalese Rupees only), deposited to HMG's account Rajaswa 1-1-5-6 at Nepal Rastra Bank, Thapathali, Kathmandu or a Bank Draft of the same amount, or by a bank voucher of DM 370 (three hundred and seventy Deutsche Mark only) deposited to the Consultant's bank account No. 937253 Dresdner Bank AG, Frankfurt/Main, Germany F.R., both issued in favour of Marsyangdi Hydroelectric Project.

Completed Prequalification Documents shall be submitted in one original and three copies to the address of MHDB in a sealed envelope carrying outside the name and address of the applicant and marked as follows:

Prequalification Dcuments
Marsyangdi Hydroelectric Project
Civil Works (Lot 1.1/Lot 1.2)

not later than 14.00 hours March 1st, 1984.

COMPANY NOTICE

ALCAN AUSTRALIA LIMITED

US$75,000,000
FLOATING RATE NOTES DUE 1989

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest for the period 16th January, 1984 to 16th July, 1984 has been fixed at 10.4375 per cent per annum.

On the 16th July, 1984 interest of US$527.67 per US$10,000 nominal amount of the Notes will be due against coupon No. 5.

SWISS BANK CORPORATION
INTERNATIONAL LIMITED
Reference Agent

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INTL. COMPANIES & FINANCE

Liberman family in bid for LNC Industries

BY MICHAEL THOMPSON-NOEL IN SYDNEY

THE MELBOURNE based JGL Investments, which is controlled by the Liberman family, yesterday made an A$3.25 per share, A$104m (US$93.6m), offer for LNC Industries, Australia's second largest motor vehicle distributor. The bid is conditional on 50 per cent acceptance.

LNC Industries, however, said last night that the offer was "inadequate" and lacked "credibility" — which could indicate the start of a takeover duel.

Early yesterday, the Liberman family acquired 4.82m shares in LNC Industries, or 15.05 per cent, for A$15.4m, at A$3.20 per share, five cents below the offer price.

Mr Jack Liberman, chairman of Permewan Wright, the bidding vehicle used to acquire yesterday's 15.05 per cent stake, said: "That by every conventional measure, the offer price exceeds the highest market rating that the stock has ever achieved prior to the recent takeover speculation."

LNC Industries imports, sells, and services cars and supplies auto parts. It holds national franchises for Audi, Volkswagen, Fiat, Lancia, Renault, and Subaru.

In the year to last June 30, turnover at LNC Industries rose by 9.3 per cent, to A$386m, with net profits also up by 9 per cent to A$11.1m. However, Mr Doug Donaldson, its managing director, has said that profits in the September quarter last year were 4 per cent ahead of the same quarter in 1982 and that an improvement in earnings would be seen as soon as the economy recovered.

JGL Investments has extensive interests in New South Wales and Victoria, including textiles, retailing, and leisure.

● Potter Partners, the Australian brokers, yesterday served a summons on the National Companies and Securities Commission, seeking a reversal by the Commission of last month's declaration that Potters had engaged in "unnacceptable conduct" while handling a transfer of shares in the Tasmanian takeover target, Cascade Brewery.

Potter Partners have denied that it had been "engaged in any conduct which could be characterised as unacceptable."

● Bridge Oil, the Australian energy company, has signed a A$100m five-year loan with a group of twelve Australian and international banks. Coordinating the loan are BT Australia and Elders Finance Investment. The facility, which can be drawn down in U.S. or Australian dollars, carries a margin of 0.75 per cent above the London interbank offered rate (Libor). The loan is to be used for general corporate purposes by Bridge which has a stake in the Cooper Basin oil and gas development and is the major shareholder and operator of the Aredor diamond and gold project in Guinea.

Offer for Sealion Hotels

By Chris Sherwell in Singapore

MONSIA INVESTMENTS, an investment holding company controlled by Mr Yap Yong Seong, a Malaysian property developer, has bought a 46.1 per cent stake in Sealion Hotels, owners of the Hyatt Regency Hotel in Singapore, for S$74.2m (U.S.$34.8m), and has made a general offer for the remaining shares.

The 46.4 per cent shareholding was controlled by Sr Enrique Zobel, a Philippines businessman, who held the stake through Ayala Hotels, Ayala International Finance, and AFHK Nominees. Monsia paid S$4.08 for 18.19m of the S$1.00 shares, and is offering the same price for the remaining 21.01m shares, making the bid worth S$160m.

According to the Singapore press, the land on which the hotel stands was recently valued at S$156m, only a little less than Monsia's purchase price for both land and hotel, which has 824 rooms and a soon-to-be-completed extension.

New roles for Bank of Ireland men

● BANK OF IRELAND has made changes in the organisation of its group executive and appointed a new managing director to replace **Mr John Bourke** who left the bank at the end of December. The new structure divides the activities of the group into two main functions: line management and group strategy and control. **Mr Frank O'Rourke**, managing director, takes over a new role with overall responsibility for developing the group's business stategy for the future including branching structure, market and product development. **Mr Maurice Keane**, managing director, has continued responsibility for all aspects of finance and information systems. **Mr Pat Molloy**, managing director, takes responsibility for branch banking in the Republic of Ireland, Northern Ireland and Britain and for group personnel. **Mr Michael Meagher**, Deputy chief executive of the Ulster Bank, becomes the new managing director. He will have responsibility for the Bank's corporate lending, international and North American activities and also for the Bank of Ireland Finance group. Mr Meagher became chief executive of the Ulster Investment Bank in 1973, and in 1982 became deputy chief executive of the Ulster Bank Group.

● **Mr Colin Hood** has been appointed executive vice-president of *National Westminster Bank's* international banking group, and seconded to National Bank of North America, a wholly-owned subsidiary of National Westminster Bank. Mr Hood was chief manager at NatWest's Hong Kong branch.

● **Mr John Archibald** has been appointed general manager of **Robert Fleming AG**, the Zurich subsidiary of the Robert Fleming merchant banking group.

● **Mr Walter P Mears**, a vice-president and the Washington bureau chief of the **Associated Press**, has been appointed vice-president and executive editor. His successor in Washington will be named later. As executive editor he succeeds **Mr Louis D. Boccardi**, who was appointed executive vice-president and chief operating officer of AP on December 1.

● **Mr Joseph P. Viviano** has been appointed senior vice-president of **Hershey Foods Corp.** For the past four years Mr Viviano has been president and chief executive officer of San Giorgio-Skinner Company, a producer of branded pasta products and a subsidiary of Hershey Foods. In his new position, Mr Viviano is responsible for the corporation's human resources productivity and administration functions plus two operating divisions – San Giorgio-Skinner and Hershey International, Mr C. Mickey Skinner, executive vice-president, succeeds Mr Viviano as president of San Giorgio-Skinner.

● **Mr Richard H. Klemm** has been appointed vice-president, pension fund management, of **GTE Investment Management Corporation.** He will handle the investment management and administration of the pension fund for GTE employees in the U.S. and Canada. He has served as vice-president, equity investments, of GTE Investment Management Corporation since 1982.

● **Dr Hans Winkler**, head of the dyestuffs division of SANDOZ, the Swiss-based chemical concern has been appointed chairman of the newly-formed Sandoz research advisory board, as well as deputy to company chairman Dr Marc Moret for the sector's ecology safety and quality control. **Dr Rolf W. Schweizer** succeeds Dr Winkler as head of the dyestuffs division, while **Dr Juergen Mueller** is given responsibility for pharmaceuticals marketing.

● **Gulf and Western Industries Inc.** has named chief executive officer **Mr Martin Davis** to the additional posts of chairman of the board and chairman of the executive committee. He was vice-chairman of the board. The board also named **Mr Donald Oresman** to the new post of executive vice-president. He also was named general counsel, secretary, a member of the executive committee, and placed on the corporate management board.

● **Baxter Travenol of Illinois** has named **Mr Victor M. G. Chaltiel** as chairman, president and chief executive officer of its Omnis Surgical Inc. affiliate, formed to consolidate and focus the company's surgical products, services and technologies. He was group vice-president of Baxter Travenol.

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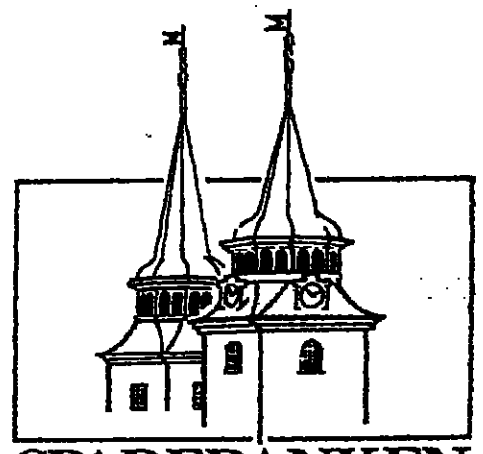

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January 12, 1984

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to

International Harvester Company

and

International Harvester Credit Corporation

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and Arranged a New

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TECHNOLOGY

EDITED BY ALAN CANE

BIOTECHNOLOGY LAB FINDS SUPPORT

Heidelberg: 'best buy'

BY DAVID FISHLOCK, SCIENCE EDITOR

TOP BRITISH scientists have reviewed favourably the European Molecular Biology Laboratory at Heidelberg, largely devoted to the development of high-powered instruments to underpin European progress in "genetic engineering."

In a report* published by the Medical Research Council today, they call for "wholehearted UK commitment" both to the future and for the expansion of the ten-nation project. Scientifically, the case for "remaining in EMBL is a strong one," says the review body, under the chairmanship of Professor P. B. Garland, of Dundee University.

EMBL is costing Britain £1.2m a year, paid by the MRC. A year ago, Sir James Gowans, secretary of the MRC, asked a high-powered team to see whether Britain is getting value for money. The MRC itself runs one of the world's leading centres of research in its Laboratory of Molecular Biology in Cambridge, costing about £5m a year. Two of Prof. Garland's reviewers were drawn from this star-studded laboratory.

EMBL, based in Heidelberg, has a staff of 267 and spent about DM 44m (about £11m) last year. Its director is Professor L. Phillipson from Sweden. Member-nations are Austria, Denmark, France, W. Germany, Israel, Italy, the Netherlands, Sweden, Switzerland and the UK.

"Much of the work at EMBL is of high quality and the potential of the laboratory is high," the review body says. "There is little evidence to persuade us that the same amount of money spent in this country (in addition to that already spent on molecular biology) would purchase an equivalent amount of work of equal quality."

EMBL has outstations at Hamburg and Grenoble, positioned to plug into what the reviewers see as "massively expensive facilities provided primarily for other purposes and made available on very satisfactory and advantageous bases for biological research." These facilities, both built mainly for physics, are what justifies most clearly the idea of an international lab in this field, they say (see right).

The DESY facility at Hamburg is an accelerator which generates a brilliant new kind of X-radiation, called synchrotron radiation, to illuminate biological material. For X-ray crystallographers, the result is much faster X-ray diffraction experiments, but much less damage to living specimens.

The ILL facility at Grenoble is a nuclear reactor which generates powerful neutron beams, for example for neutron diffraction experiments. EMBL itself spends about £1m a year at this outstation, of which the UK share is about £150,000.

Compared with other sources of neutrons available to British scientists, the ILL facility is more than ten times as powerful. Britain hopes to commission a new one itself by 1985, when the Rutherford Laboratory's spallation neutron source comes on-line. But the reviewers point out that this will be a pulsed source of neutrons "less suitable for the sorts of experiments biologists wish to carry out."

They also see the education value of the ILL neutron beam facility as specially important. But they add that this role at present is "inadequately played."

Ideas put to the reviewers that Britain need only support the two outstations and not the central laboratory simply do not make sense. They fail to do justice to projects at Heidelberg which underpin the effort at the outstations, such as the development of sensors. Neither are they permissible under the terms of Britain's involvement in EMBL, the reviewers say.

Merit

Overall, they conclude that the scientific merit of EMBL's research programme "is, on the whole, a favourable one." There are some relatively weak areas but they find this inevitable in a fairly small laboratory with wide-ranging activities.

The cell biology programme is considered "outstanding." It is exploiting an area of science not well developed by any member-state, using the tools of the two outstations. "It is our view that this critical mass would not have been built up nationally."

They found many other projects at Heidelberg being executed with great skill, among them the DNA sequence library, the development of cryo-electron microscopy and cryo-STEM (scanning transmission electron microscopy), and the development of detectors for synchrotron rays.

Sir James Gowans

Is EMBL expensive to run? Their answer is yes, "substantially more expensive" when compared with Britain's closest equivalent, the Laboratory of Molecular Biology. Staff costs run from half as much again to double the costs in Cambridge. For example, the comparative costs per staff scientist for 1982-83 are as follows:

EMBL	£130,312
LMB	£60,969

Since EMBL's staff do not spend more on consumables, the differences lie mainly in its higher salaries and allowances, and higher operating costs identified in the report. The reviewers believe it could be more cost-effective.

But they believe Professor Phillipson, the director, who took office only in 1982, has already implemented "one instrument for securing greater cost-effectiveness," namely programme budgeting, now being "seriously and energetically applied."

They have no doubt that EMBL will continue to be an expensive laboratory to run by British standards. But this is offset by the large proportion of Britons employed, and the business won by British industry.

* *The UK's participation in the European Molecular Biology Laboratory.* Report to the Medical Research Council, 20 Park Crescent, London W1N 4AL, pp. 80.

Inside the EMBL outstations

THE TWO outstations are laboratories attached to big research tools built for physics, at Hamburg and Grenoble.

At Hamburg, the outstation captures synchrotron radiation from the DESY electron particle accelerator, for radiographic analysis of the structure of complex crystals such as proteins, the "building blocks" of living materials.

Synchrotron radiation is an intensely bright kind of radiation, of very short wavelength, in the ultra-violet and X-ray region. Its intensity is proving a highly effective way of illuminating the structure of complex crystals.

Crystal structures of compounds which would normally need days of illumination by more conventional X-ray sources can be examined in minutes in this way.

Sir James Gowans, MRC secretary, recently opened such a facility in Britain, to harness synchrotron radiation from a new source built by the Science and Engineering Research Council at its Daresbury Laboratory in Cheshire. The £450,000 biology support laboratory is a joint venture by the MRC and the SERC, headed by Dr Juan Bordas, and planned as a research service for British scientists, who will bring their experiments to Daresbury.

The MRC report on EMBL notes, however, that both the outstations at Hamburg and Daresbury are oversubscribed, such is the enthusiasm for using synchrotron radiation.

At Grenoble, the outstation captures neutron beams from the nuclear reactor of the Institut Laue-Langevin (ILL).

The neutron flux from this reactor is nearly double that of the next most intense neutron beam source, at Brookhaven in the U.S.

At Grenoble, physicists and biologists collaborate closely for at present there are no workstations dedicated to biological experiments. Such a worksation is planned, however, with the cost to be shared equally between ILL — an Anglo-French - German research facility—and EMBL. SERC spends about £6m a year at ILL.

Facts and fantasies about 8mm video

Video & Film

BY JOHN CHITTOCK

WITH KODAK'S recent announcement of its entry into consumer video, some incorrect and off-key statements have been appearing in numerous press reports about 8 mm video — the new home video format which has been virtually agreed by the industry as a worldwide standard.

The new Kodavision camera-recorder, manufactured for them by Matsushita, will be available in the U.S. this summer and in the UK by the autumn. It marks Kodak's formal acknowledgment that 8 mm motion picture film — with sprocket holes—is finished and that video is the image-making process for all future home movies.

The so-called 8 mm video format, however, is not necessarily going to sweep aside existing half-inch systems — notably VHS — which is what some press reports would have us believe. And the combined cam-corder for Kodak's system is not, as claimed in some reports, the smallest and lightest in the world. In fact, it is slightly heavier and larger than JVC's VHS cam-corder—despite the use of smaller cassettes.

It is also contentious to claim (as have some reports) that 8 mm video will yield better quality than existing half-inch consumer video formats. The miracle will be to first equal half-inch quality, achievable only by using more expensive metal tape. In fact, my own subjective view of 8 mm video quality as seen on the Philips version is that it falls well short of the currently-available VHS-C system, which is the forerunner of JVC's VHS cam-corder.

The latter, which combines recorder and camera in one unit as does 8 mm video, is about to become available in Japan and the U.S. any time now — well ahead of Kodavision — and in the UK this autumn. A pre-production sample I tried in Japan last October seemed to perform as well as the current two unit VHS-C, and paradoxically looks more like an 8 mm cine camera than Kodak's or Philips' 8 mm video rivals.

There are, however, many other confusing issues to weigh in assessing the viability and commercial significance of 8 mm video. It is not an automatic solution to the consumer's prayer — as some press stories have made it seem — and in opting for this format Kodak could be taking quite a gamble.

Home video movies undoubtedly will capture the imagination of consumers, as indeed this column predicted in its New Year forecasts. But 8 mm video certainly has a number of marketing handicaps which could deny it success, despite the support of Kodak, RCA, Sanyo and others for this new format.

The most crucial of these is the existence of VHS half-inch format VCRs in up to 4m UK homes already (and with a similar story in other countries). Despite the efforts of Sony and Philips with their rival Beta and V2000 formats, VHS is almost a *de facto* standard. It means that pre-recorded tapes can be interchanged between users with confidence (my own office is now piled high with them). And that the video rental shops can increasingly concentrate their stock on a wider choice of titles rather than a range of incompatible formats.

Consumers who opt for 8 mm video as a playback system in the home will be denied access to the vast supply of pre-recorded movies (possibly 10,000 titles now in UK), and video distributors are unlikely to welcome another format on their shelves. Kodak's riposte to this is that 8 mm can be an adjunct to existing VCRs, with home movies transferred from 8 mm to half-inch when required (with more cost, more boxes and cables and some loss of quality on transfer).

Another problem exists with sound. Despite the promise of digital sound on future 8 mm video, at present it cannot compare with the sound quality of half-inch even before the arrival of hi-fi FM on half-inch VCRs, an impressive development for the burgeoning music video business.

Why then should the public choose to buy 8 mm cam-corders in preference to VHS? There are arguments in response to this question, but they seem less than totally convincing.

The claim of smaller and lighter size is so far invalidated — although later generations of 8 mm video will no doubt achieve reductions. But excessive miniaturisation may bring ergonomic penalties — it is not automatically "a good thing," least of all with a movie camera where steady panning and tilting is important.

The longer running time of 8 mm cassettes — 60 minutes against the 30 minutes of a VHS-C PAL cassette — is an apparent consumer attraction. But having used a VHS-C extensively, I can report that 30 minutes is almost too long, not too short. It makes the collection, filing and retrieval of recordings quite a headache. It also encourages video over-kill on every subject, so that ultimately — as one becomes more selective in shooting — a collection of 30-minute half-used cassettes is accumulated.

What else does 8 mm have to offer? The convenience of slimmer cassettes for carrying in the pocket. The possibility that at last a world video standard will sweep away the confusion of VHS, Beta and V2000 (but in doing so it must also sweep away over 40m VCRs currently in use). Lower cost, perhaps; a considerable advantage. But the predicted Y300,000 price of the VHS cam-corder in Japan is, at current exchange rates, cheaper than the $1,480 for Kodavision in the U.S.

In the meantime, the powerful Zenith Radio Corporation in U.S. is about to market a VHS cam-corder from JVC, phasing out its support for Sony's Beta format. This decision, on top of the arrival of 8mm, must signal the beginning of the end for Beta.

Prediction in the video business is hazardous, but a long and difficult haul could face 8mm video. For Kodak, without a manufacturing base in 8mm video, at least it allows the company to enter the business relatively cheaply (as it is also doing with bought-in videotape). It is merely a step towards accomplishing an objective identified in this column nearly two years ago when analysing Kodak's future in video —"the marketing skills of the company have demonstrated a superb appreciation of how to turn existing products into better ones with considerable consumer appeal." If Kodak later find that VHS is a better bet, they can switch without the development losses that Philips have experienced with V2000 and Sony with Beta—both of whom are now making some commitment to VHS.

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Computing

Keeping Apples ripe

General Computer Systems has been appointed by Apple Computers (UK) to carry out nationwide on-site maintenance of the model 2, 2e and 3 machines, the Lisa personal office system and all the printers and accessories.

GCS Engineering will be providing the service to end users, Apple dealers and original equipment manufacturers incorporating Apple equipment within their systems. GCS says that response is guaranteed within 24 hours although this can be reduced to four hours by agreement and at additional cost.

In addition, Apple's major account customers, who purchase equipment centrally, will be provided with a fully integrated maintenance service which includes storage, equipment checks, delivery, installation and final working checks. More on 01-398 5251.

Cellular radio

Storno to manufacture in UK

STORNO, the mobile radio specialist, has announced it will be making cellular radio mobile equipment in the UK and will be expanding its manufacturing facility at Camberley in Surrey.

The company, which is part of U.S. General Electric, has a car telephone on trial in the U.S. which is compatible with either of the two competing cellular radio networks being set up by Racal Millicom and British Telecom/Securicor. Services are due to start in 1985. Storno is on 01-267 6707.

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We are pleased to announce that we are acting as the dealer in the offering of commercial paper for
Barclays Bank International Limited
Goldman Sachs Money Markets Inc.

Taubman U.K. Investments, Inc.
has acquired
Sotheby Parke Bernet Group p.l.c.
We acted as U.S. financial advisor to Sotheby Parke Bernet Group p.l.c. in this transaction.

4,000,000 Shares
TELERATE
Common Stock

The Garvin Bantel Corp.
has sold its wholly-owned subsidiary
Garban Limited
to a wholly-owned subsidiary of
Mills & Allen International, P.L.C.
We acted as financial advisor to The Garvin Bantel Corp. in this transaction.

RODIME PLC
(A Scottish Company)
1,250,000 American Depositary Shares
Representing
1,250,000 Ordinary Shares

Powell Duffryn (U.S.A.) Limited
a subsidiary of
Powell Duffryn plc
has acquired
Hiller Investments Incorporated
We initiated this transaction and acted as financial advisor to Hiller Investments Incorporated.

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U.S. $21,500,000
Short Brothers Limited
Acting Through a U.S. Subsidiary
Leasing Facility to Support the Acquisition of SD360 Aircraft by U.S. Airlines

BTR plc
has acquired
Thomas Tilling plc
We acted as U.S. financial advisor to Thomas Tilling plc in this transaction.

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F.W. Woolworth Co.
through Woolworth World Trade Corp., a wholly-owned subsidiary,
has sold its interest in
F.W. Woolworth p.l.c.
to
Woolworth Holdings plc
We acted as financial advisor to F.W. Woolworth Co. in this transaction.

We are pleased to announce that we are acting as the dealer in the offering of commercial paper for
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Olin Corporation
has acquired 63.4% of the Common Stock of
Philip A. Hunt Chemical Corporation
from
Turner & Newall PLC
We acted as financial advisor to Turner & Newall PLC in this transaction.

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Can. $40,000,000
Term Loan-Partial financing for the purchase of The King Edward Hotel, which is managed by Trusthouse Forte PLC
King Edward Associates
Toronto, Canada

U.S. $50,000,000
Westland
Westland 30 Helicopter Sales Finance Facility

We are pleased to announce that we are acting as the dealer in the offering of commercial paper for
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New York Boston Chicago Dallas Detroit Houston Los Angeles Memphis Miami Philadelphia St. Louis San Francisco London Hong Kong Tokyo Zurich

UK COMPANY NEWS

SGB declines to £7.2m as overseas profits deteriorate

A RAPID deterioration overseas and in exports has led to pre-tax profits of **SGB Group**, industrial holding company, falling from £11.38m to £7.24m for the year to September 24, 1983. At halfway, taxable figures were down by £2.48m to £2.69m.

There was an increase in UK profits during the year, but overseas many countries in which the company operates began to bear the full brunt of the world recession.

In the current year, the climate at home continues to improve and results so far are showing an encouraging improvement overall.

The final dividend is maintained at 3.3p net for an unchanged total payment of 5.6p per 25p share. Earnings per share dropped from 14.4p to 9.7p. Tax took £3.3m (£5.51m) and there were also minority credits of £120,000 (£90,000).

Turnover for the year rose *from £153.64m to £160.42m. The* group's principal business is the supply and hire of equipment and services—mainly to the building, civil engineering, energy and manufacturing industries.

Current cost pre-tax profits for 1982-83 came out at £4.04m (£7.43m) and on the same basis, earnings per share were 9.7p (14.4p).

At the interim stage last July, the company reported that margins in its construction related business *in the UK had* been further eroded, while exports had suffered from increased international competition.

In its last annual report, the company said that at home, its strategy was to diversify into activities which offered some shelter from total dependence on the constructon industry. To this end, investments had been made totalling £1.5m—including any subsequent capital injection—but these were essentially long term and unlikely to have a material effect on group profits *for some time.*

See Lex

Cray Electronics rises by 26% to £570,000

Cray Electronics has raised pre-tax profits by nearly 26 per cent from £453,000 to £570,000 for the six months to October 30, 1983 and the company is lifting its interim dividend from 0.435p to 0.566p net per 10p share.

In the prevous 12 months, taxable profits rose—for the sixth successive year—by a record 34 per cent to £1.74m (£1.3m). Dividends totalling 1.755p were paid.

Half-time earnings per share moved ahead from 0.97p to 1.526p, after a tax charge £8,000 *lower at £228,000. It is pointed* out that earnings are calculated on the basis of a more realistic notional tax charge of 40 per cent (nctional 52 per cent).

Turnover increased by 27 per cent from £8.41m to £10.7m. The directors say the order book firmly reflects the company's successful participation in its

They report that as part of its continuing transfer of business principal markets and continues to grow.

activity into areas of high technology, the company has aggressively reduced its involvement in older traditional manufacturing business, by way of re-organisation and closure of certain activities.

This gave rise to an extraordinary and non-recurring total cost of approximately £178,000 *net of tax, which has not* been taken into account in arriving at the results.

The directors say they are confident that this decision will *further strengthen the company's* base to continue its growth in its established markets of communications and subsea technology.

Evode rises to £2.5m aided by acquisitions

A RISE of 44 per cent in pre-tax profits from £1.77m to a record £2.54m has been shown by **Evode Group** for the year to October 1 1983. The directors say that general trading during the first quarter of the current year has been at planned levels and they believe the group should make further progress during 1983-84.

The net final dividend has been lifted from 1.44p to 1.728p giving a higher total of 2.4396p against 2.033p, on capital increased by rights.

Basic earnings per 20p share moved ahead from 10.6p to 11.85p.

Turnover of this maker of adhesives and joining compounds increased from £42.73m to £46.19m.

The adhesives and sealants division achieved considerably improved profits as a result of increased demand and cost reduction, say the directors.

Evode Roofing achieved excellent profits, as a result of a strong demand for services and tight control of costs.

Postans, in the paints and *plastics division, again achieved* "very significant" growth in powder coatings, from both the architectural and industrial sectors.

New acquisitions helped account for between 10 per cent and 15 per cent of Evode's profit improvement last year, Mr Andrew Simon, chairman, said later.

At the same time the group reduced its dependence on building related activities to about 30 per cent with the balance coming from its spread of general industrial investments. However, there are no plans to sell any of its building companies.

Since the year end £1m has been spent on three further small acquisitions which are unlikely to make any significant profit contribution in the current year.

At the same time the chairman admitted he was looking at other *likely acquisitions* up to about the £2m range.

● **comment**

Evode's 44 per cent profits *increase was exactly in line with* the interim performance. So the results raised few eyebrows yesterday and the shares rose 2p to 115p, where the yield is 3 per cent. Between 10 and 15 per cent of the growth came from new acquisitions, with the rest fuelled by a general upturn in demand across the divisions and a continued cost-cutting drive which is reflected in a slight widening of margins to 5.5 per cent of turnover. The rights issue came too late to have made a significant impact on interest charges by the year-end, but aided by cash flow it has eliminated borrowings and left Evode with net cash of £500,000. Encouraged by the leaner *balance sheet, the directors have* raised their acquisitive sights a couple of notches to aim for related companies at around £2m, more than twice the former limit. In the past, victims' operations have tended to be shifted to Evode's Stafford headquarters. Larger acquisitions may be less easily portable, so profits growth is likely to become correspondingly less predictable in future years.

FIH expands 65% to £4.79m at nine months

THIRD quarter pre-tax profits of **Ferguson Industrial Holdings**, building supplies, printing and packaging, engineering group, moved ahead from £1.56m to £1.98m and pushed the nine *month figure, ended* November 30 1983, to £4.79m, compared with £2.9m, a 65 per cent increase.

Mr Denis Vernon, chairman, says the *final* quarter contained the Christmas and New Year holiday periods — during which trade in the group's industries was at a standstill — and two *months when weather conditions* can "greatly influence the profitability of our building supplies division."

He adds, nevertheless, that directors expect a satisfactory outcome for the year.

For the 12 months ended February 28 1983, the taxable surplus amounted to £3.82m while dividends per share totalled 5.7p net. The interim distribution paid so far in the current year was 2.5p.

Sales for the nine months expanded by 18 per cent to £107.2m (£90.68m), and the chairman says that as many of the group's costs are fixed, this has contributed to a 56 per cent increase in trading profit to *£5.63m (£3.6m).*

A divisional analysis of sales and trading profits shows: building supplies £53.98m (£44.98m) and £1.79m (£1.24m); printing and packaging *£26.46m (£20.2m)* and *£3.45m (£2.12m)*; engineering £8.97m (£7.62m) and £332,000 (£202,000); civil engineering £15m (£15.09m) and £55,000 (£235,000); giftware £2.78m (£2.8m) and £195,000 loss (£277,000 loss); holding company profits £194,000 (£86,000).

Pre-tax figure for the nine *months* was after interest, £415,000 (£696,000) and employees profit sharing £688,000 (£386,000), but included associate's share of £266,000 against £375,000.

Net profits came through at £3.35m (£2.28m) after tax well up from £616,000 to £1.44m.

● **comment**

The pace *of* recovery at Ferguson is slowing, with third quarter growth in trading profits only 22 per cent, after 94 per cent over the first half. But the boom in *building supplies* peaked in the second quarter, and since then the division's return on capital (Ferguson's prime yardstick) has held steady at over 25 per cent. Printing and packaging has held its own as a contributor to total profit, but only because of the London businesses, which are still enjoying the High Street boom: *the two subsidiaries in the North* East made no profit contribution in the last six months, and are being reorganised. Civil engineering is still flat on its back, with no sign of an upturn, and the giftware division's days are numbered as part of the group. Ferguson is still having trouble using last year's rights money on acquisitions, and is *presently opening* new building supply outlets from scratch instead. Full year pre-tax profits *should* be at least £6m, which at a price of 142p (up 2p) puts *the forecast multiple at 9, on a* historic yield of 6 per cent.

HIGHLIGHTS

Lex looks at the latest retail sales figures for December which show that the consumer boom *is still firmly in gear. On the* company news front SGB pushed out its full year figures showing a disappointing fall at the pre-tax line though the shares held their own, up 3p to 150p. Elsewhere Mr Asil Nadir's private company has taken a near 25 per cent stake in **Strong and Fisher** at 70p a share and *there is, not surprisingly,* talk of deals in Turkey. Strong and Fisher's price closed at 230p last night. Finally Lex looks at the latest from Wytch Farm where **British Gas** seems to be shouldering much of the risk.

Mixed 1983 results at Provident Mutual Life

Provident Mutual Life Assurance Association reported new annual premiums in 1983 on life and pensions business unchanged at £43m, but a one-third increase *in single premiums from* £59m to £80m.

The company benefited from the changeover to MIRAS, with new annual premiums on mortgage-related business rising from £1.5m to £5m. New annual premiums on self-employed pensions fell from £8.9m to £8m, but single premiums improved from £3.5m to £4m. Executive pensions saw an improvement *in* both annual and single premiums, new annuals rising from £4.2m to £4.4m and single premiums from £5.3m to £7.6m.

New *annual premiums* on group pensions business declined from £11.9m to £10m, though single premiums rose from £2.9m to £4.3m.

● ***National Mutual Life Assurance Society*** saw a 50 per cent rise in new annual premiums on its life and pensions business last year from £7.59m to £11.40m, *but a drop in single premium* business from £4.88m to £3.93m.

The Society's mortgage-related business doubled last year from £3.7m to £7.2m and accounted for most of the rise in new annual premiums. New annual premiums on self-employed pensions business fell slightly to £1.45m, but executive and group pensions premiums remained stable last year.

● **Crusader Insurance**, a member of the CIGNA Group, one of the largest U.S. insurance groups, reported a 23 per cent increase in new annual premiums on life and pensions business last year.

New annual premiums on mortgage-related contracts *climbed threefold from £1.5m to* £4.8m and accounted for most of the growth in new annual premiums on ordinary life business from £4.8m to £8.4m. *Sales of the back-to-back savings* plan held up well.

Single premium business increased by over 40 per cent last year from £12.9m to £18.5m.

Growth at Scottish Equitable

Scottish Equitable Life Assurance Society saw total new annual premiums on its life and pensions business rise by over one-third last year to *£22.95m*, but single premium business at £44.2m remained at around 1982's level.

The society had its share of *benefit from MIRAS, with new* annual premiums up by 314 per cent to £3.64m. Premiums on savings and protection doubled to £2.55m.

Individual pensions business was buoyant last year for the Society. Self-employed pensions business saw an 18 per cent advance in new annual premiums to £6.27m and a 21 per cent jump in single premiums to £8.03m. New annual premiums on executive pensions rose nearly 20 per cent to £6.16m and single premiums increased by more than half to £6.88m.

New annual premiums on group pensions, including the managed fund, rose marginally by 5 per cent to £4.27m, while single premiums were nearly 30 per cent higher at £6.12m.

National Employers Life, a member of the Britannia Arrow Group, recorded a near 30 per cent rise in new annual premiums on its long-term business last year from £10.1m to £13m. The increase was spread across most main classes of business.

New annual premiums on Permanent Health Insurance business, where the company is one of the market leaders, rose from £5.6m to £6.2m. The company did very little business connected with MIRAS, but its own mortgage lending doubled. New annual premiums on its offshore operations rose from less than £100,000 to £780,000 last year.

Single premiums improved from £17.5m to £19.9m, with the drop in premiums on its Transfer Plan from £8.5m to £5.7m being more than offset by a rise in annuity business from £1.9m to £6m.

Reliance Mutual Insurance Society recorded a 17 per cent increase in new ordinary branch premiums last year from £1.8m to £2.1m. Premiums on MIRAS business doubled from £211,000 to £450,000. The company's *unit-linked operations* had a mixed year in 1983. New annual premiums rose from £1.15m to £1.25m, reflecting the growth in its Gem series of *policies. But single premiums* slipped slightly from £214,000 to £210,000.

New annual premiums in the Industrial branch rose 13 per cent *from £660,000 to £750,000.*

Scottish Life bonus rates

Scottish Life Assurance Company *is keeping its reversionary* bonus on current life contracts unchanged in 1983 at £5.20 per cent of the sum assured and attaching bonuses, while pension contracts get a 40p increase in the 1983 reversionary bonus to £6.50 per cent of the basic benefit and attaching bonuses.

On the life policies series closed in 1968 to new business, the bonus rate is improved by 25p to £8 per cent of the sum assured.

On group pension policies, the declared rate is £8 per cent of the benefits secured, against £7.75 per cent previously. On Group Protected Policies and Sovereign Policies, the rate is £13 per cent, compared with £12.75 per cent.

The company has improved its terminal bonus scales for claims in 1984 by increases varying from 2 per cent to 5 per cent.

AGB rises by £0.6m halfway and expects growth in second half

AN INCREASE in pre-tax profits from £2.38m to £3.01m by **AGB Research** for the first half of 1983/84 keeps group performance for the period in line with *recent years, say the directors.* They anticipate increased profits in the second half.

Trading overall is satisfactory they say and the outlook con*siderably more encouraging* than a year ago. Despite a record number of new projects in the course of development, the directors anticipate a "useful advance" for the year as a whole. In the last full year pre-tax profits came to £6.04m (£5.01m).

The net interim dividend is being lifted from 2.8p to 3.2p on the enlarged share capital—in *the last full year a total of 7p* was paid on the old capital. Half year earnings per 10p share moved up from an adjusted 4.57p to 5.3p.

Turnover of this consumer and industrial market researcher expanded by £10.1m to £38.35m for the six months to the end of October 1983.

NFO research, which this time is included *for the full six* months, and the McNair Anderson Group in the U.S. and Australasia respectively, have continued to develop well and the directors anticipate further substantial growth *in* the years immediately ahead.

The survey research group companies acquired at various dates in 1983, have made an initial contribution to first *half* profits. The directors believe these will produce increased profits as the businesses develop and become integrated into the group, *and they also plan to* adapt for Far East markets a number of specialised services which have been successful in the UK.

Publishing companies have been radically reorganised in 1983. They are experiencing some improvement in trading, and, if these trends continue, the directors anticipate real improvement in profitability in 1984 from the depressed levels of the past few years.

Information systems companies remain in a development phase and are generally making good progress with a number of interesting new products. The exception is Tempo Computer Services, which is facing a difficult competitive situation, but, the directors are confident that profitable trading will emerge.

Results of the marketing services division reflect the timing of exhibitions and con*ferences, and this year* the second half will show higher profits than the first.

● **comment**

Given trend of **AGB's** first-half it would be surprising if the full year didn't get over £8m pre-tax. The group has an in-built benefit from the £14½m rights issue a year ago and growth from relative newcomers like McNair Anderson in Australia and National Family opinion in the U.S. The latter was AGB's first *major* move into the U.S. with a $9m acquisition in 1982. Since then NFO has been cranked up a couple of points in the league table and its profitability much improved. Yet the development which has really caught the market's imagination is the recent purchase of Information *and Analysis*, a *television* audience monitoring company. AGB is tackling Nielson on its home ground. Yet the British company believes it has a winning product proven *on the* battlefields of the UK, Australia, Hong Kong and parts of Europe. Even if AGB has a successful formula the benefits from the U.S. offensive are unlikely to be seen before 1985-86. Meantime the shares at 325p stand on a fully taxed prospective p/e of nearly 30.

Chubb pays £4.3m for Texas Tele Systems

Chubb and Son, the largest UK security equipment group, has bought Texas Tele Systems, an electronic security company, of Austin, Texas for $6m (£4.3m) cash.

Texas, which also has branches in Houston, *El Paso* and San Antonio, employs 50 people and has annual turnover of $4m. Capital amounts to $1.5m.

Mr Edward Weiss, Chubb *finance director, said:* "*We have* been looking for about 18 months in the U.S. This company meets our requirements in terms of size, profitability and depth of management."

North America accounte for 10 per cent of Chubb's 1983 group turnover, but most of this came from its *Canadian* operations. It has a small physical security company based in Toledo in the U.S., but previously had no electronic security *interests there.*

"We have identified the U.S. as being an area of prime interest to us," said Mr Weiss. "We certainly won't stop at this acquisition. We are also interested in electronics and fire security companies in Europe."

Chubb rose 3p yesterday to 164p.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
AGB Research ....int.	3.28†	Mrch 20	2.8	—	7
Allsa Trust ....int.	0.5	Feb 24	0.7	¶	1.85
Cray Electronics ......int.	0.57	April 6	0.44	—	1.76
Dewhurst and Partner...	0.45	April 2	0.3	0.68	0.45
Evode Group	1.73†	April 3	1.44	2.44	2.03
Restmor ....int.	1.5	March 9	1	—	6.5
SGB Group	3.3	—	3.3	5.6	5.6
Southern Business	*1.25‡*	*Mrch 7*	—	—	—
Stroud Riley ....int.	0.75	Mrch 6	0.75	—	2.25

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted companies. ¶ Final no greater than 0.8p forecast.

TOKYU DEPARTMENT STORE CO., LTD
NOTICE TO EDR HOLDERS

The Chase Manhattan Bank N.A. as depositary gives notice that at a meeting of the board of Directors of Tokyu Department Store Co., Ltd, it was resolved that a free distribution be made to holders of common shares, Yen 50 each of 1 new share for every 20 common shares held as of record date January 31, 1984. With effect from January 27, 1984, the shares will be traded ex-capitalisation and also ex the year-end cash dividend which will be paid by the company, subject to shareholders' approval as of record date January 31, 1984.

Coupon No. 9 to the EDRs will be used for the purpose of claiming the free distribution and coupon No. 10 will be used for claiming the year-end cash dividend, both coupons being deemed to have matured on January 27, 1984. With effect from that date, both coupons should be detached from any EDR presented for surrender and will not be issued with any new EDR. EDR holders are further informed that the register of *shareholders of the company will be closed from February 1, 1984,* and is not expected to reopen until the day on which the forthcoming Ordinary General Meeting of shareholders is concluded. During this period it will not be possible to register the transfer of shares withdrawn against the surrender of EDRs. A further notice will be published as soon as practicable, stating the actual securities or other property to be distributed in respect of each EDR and the date and method to be employed for the delivery or payment thereof. It is only upon such notice that any payment or distribution will be effected against coupon No. 9 or coupon No. 10.

The new shares will rank for dividends having a record date on or after February 1, 1984, and will rank pari passu in all other respects with the existing shares.

January 1984.

The Chase Manhattan Bank N.A.
London, as depositary

SGB GROUP

UK PROFITS INCREASED
RECESSION HITS EXPORT AND OVERSEAS ACTIVITIES
Final dividend maintained

Preliminary Announcement
Year ended 24th September 1983

	1983 £'000	1982 £'000
Group Turnover	160,419	153,639
Group Profit before Tax	7,243	11,377
Group Profit after Tax and Minorities	4,061	5,955
Shareholders' Funds	76,601	73,518
Earnings per Share	9.7p	14.4p

Profits increased in the UK and the decline is wholly attributable to a rapid deterioration overseas and in exports as many countries in which the group operates began to bear the full brunt of the world recession.

This year the climate at home continues to improve and results so far are showing an encouraging improvement overall.

Dividend. At the annual general meeting to be held on 20th March, 1984, a final dividend of 3.3p per share will be recommended, resulting in a total dividend of 5.6p for the year (1982 5.6p).

The full Report and Accounts will be posted to shareholders on Tuesday, 14th February, 1984.

SGB GROUP plc.
Mitcham, Surrey CR4 4TQ

F. H. Tomkins p.l.c.
(Fastener distributors, buckle & fastener manufacturers)

INTERIM REPORT
Profits and Dividends Increased

Results in brief	6 months to 31st October 1983 £'000	1982 £'000
Turnover	10,053	8,434
Profit before tax	558	461
Dividend per share	0.635p	0.575p
Earnings per 5p share	1.499p	1.387p

Following the retirement of Mr. A. D. Porter as Chairman, the Board have appointed Mr. Michael Moore as Chairman and Mr. Gregory Hutchings as Chief Executive. Salient points from the Chairman's interim report are:—

Profits for the first half year show an increase of 21% and the interim dividend is increased by over 10%.

All parts of the company continue to perform well with the exception of the French subsidiary, Stockinox, which represents under 10% of the company's net assets and pre-tax profit.

In line with the objective of building Tomkins into a more broadly based industrial holding company, we have entered into an agreement, conditional amongst other matters on shareholders' approval, to acquire as from 1st January 1984, Ferraris Piston Service Limited, a vehicle components and spares distribution company for £2.3m cash on a partially deferred basis. The most recent audited accounts of Ferraris for the year ended 31st December 1982 show net assets in excess of £2.7m and a pre-tax profit in excess of £500,000 on sales of over £8.5m. The acquisition of Ferraris will substantially increase the size and broaden the base of Tomkins.

FHT

Copies of the full interim report are available from the Secretary, F. H. Tomkins p.l.c., Bescot Crescent, Walsall, West Midlands WS1 4NP.

Clark Whitehill and Smith Forshaw Harper & Revill are pleased to announce that they have merged their audit practices on the Isle of Man, and with effect from 16th January 1984 will be known as

Clark Whitehill Harper
Chartered Accountants

P.O. Box 104, Victory House, Prospect Hill, Douglas, Isle of Man
Telephone: 0624-27335 Telex: 629222

Westland plc

Points from the Statement by the Chairman, Lord Aldington

* Pre-tax profit 9% higher reflecting increased sales and better margins—and after allowing for an increase of nearly £6m in research, development and launching costs.
* Welcome addition to orders at the year-end for Lynx and Sea King. *Normalair-Garrett had a good year for orders.*
* New orders gained in 1983 will help factory activity to *be maintained and lead to sales after 1984.* Some further improvement in margins is expected.
* The company is in the middle of a large investment programme—CAD/CAM equipment and programmable machine tools—which will enhance the quality of our engineering as well as the speed and efficiency of our production.

SUMMARY OF RESULTS	Year to September 1983	1982
Turnover	£326m	£284m
Trading profit	£47m	£39m
Research, development and launching costs—net of launch aid	£19m	£13m
Profit after interest, before tax	£26m	£24m
Profit attributable to shareholders	£18m	£13m
Earnings per 25p share	32.4p	26.5p
Dividends per share	8.25p	7.5p
Shareholders' funds	£137m	£124m

Copies of the Annual Report and Westland Review can be obtained from the Company Secretary at Yeovil.

Granville & Co. Limited

Member of NASDIM
27/28 Lovat Lane London EC3R 8EB Telephone 01-621 1212

Over-the-Counter Market

1983-84 High	Low	Company	Price	Change	Gross div.(p)	Yield %	P/E Actual	P/E Fully taxed
142	120	Ass. Brit. Ind. Ord. ...	126	—	6.4	5.1	7.3	8.5
158	117	Ass. Brit. Ind. CULS...	137	—	10.0	7.3	—	—
78	62	Airsprung Group	77	—	6.1	7.9	22.0	22.0
38	21	Armitage & Rhodes......	28	—	—	—	—	—
290	141½	Bardon Hill	290	+5	7.2	2.5	11.8	24.0
54	53	Bray Technologies	54	—	2.7	5.0	0.7	10.6
200	198	CCL Ordinary	198	—	5.0	2.5	4.5	6.3
151	121	CCL 11pc Conv. Pref....	147	—	15.7	10.7	—	—
192	100	Carborundum Abrasives	192	—	5.7	3.0	—	—
249	100	Cindico Group	100	—	17.6	17.6	—	—
63	45	Deborah Services	51	—	6.0	11.8	27.3	44.3
188	75	Frank Horsell	188	—	—	—	7.8	12.9
175	75½	Frank Horsell Pr Ord 87	175xd	—	8.7	4.9	7.4	12.1
68	39	Frederick Parker	39	—	7.1	18.2	2.4	3.9
38	32	George Blair	33	—	—	—	—	—
80	50	Ind. Precision Castings	50	—	7.3	14.6	13.9	17.2
235	134	Isis Conv. Pref.	235	+3	17.1	7.3	—	—
121	61	Jackson Group	121	—	4.5	3.7	6.3	12.4
237	169	James Burrough	235	—	11.4	4.9	13.0	13.4
335	275	Minihouse Holding NV	335	+5	4.0	1.2	25.2	25.2
176	117	Robert Jenkins	117	—	20.0	17.1	13.6	9.1
74	60	Scruttons "A"	60	—	5.7	9.5	10.0	7.2
120	74	Torday & Carlisle	74	—	2.9	3.9	—	—
440	385	Trevian Holdings	438	—	—	—	8.9	8.1
26	17	Unilock Holdings	17	—	1.0	5.8	11.1	16.2
90	65	Walter Alexander	65	−2	6.8	8.0	7.5	9.9
276	240	W. S. Yeates	240	—	17.1	7.1	3.7	7.7

MINING NEWS BIDS AND DEALS

First-half rise at Johnnies

BY GEORGE MILLING-STANLEY

DIVIDEND... ON the increased s... atory at R... h the Randfontein E... mine and a higher final from Rustenburg Platinum Holdings helped to boost first-half profits of Johannesburg Consolidated Investment ("Johnnies").

These two factors together contributed around an extra R10m (£5.6m) to investment income, which rose to R46.7m from R35.3m in the first half of 1982-83.

The interim dividend has been raised to 180 cents (101p) from the previous level of 130 cents, but Johnnies made it clear that the increase is intended to reduce the disparity between interim and final payments, and does not reflect the company's performance.

Attributable profits for the six months to December 31 came out at R56.1m, up from R48.7m last time, after a fall of R5.4m under the heading of "Other net revenue."

The decline in this item was caused by reduced interest income consequent on the lower level of funds on deposit, certain exceptional costs associated with acquisitions during the period and a higher provision for tax.

Johnnies said yesterday that the second half of the financial year is likely to be better than the corresponding period of last year, although not by as big a margin as the first half improvement.

This would put the group on target for full-year profits above last year's record of R102.7m. It is still too early to speculate as to the likely level of the final dividend, and Johnnies' management stressed that the improvement in the interim payment was intended to bring the group into line with the other big South African mining finance houses.

Hitherto, Johnnies has always been noted for its conservative line on interim dividends, and has saved big increases until such time as the outcome for the full year was known.

Half-year earnings came out at 766 cents per share, compared with 666 cents in the first half of last year and full-year earnings of 1,405 cents, from which total dividends of 650 cents were declared.

The increase in the number of shares held in Randfontein Estates came about because Johnnies held an interest in mineral rights in the Doornkop area, into which Randfontein has begun to expand its operations.

Johnnies' important diamond interests, largely held through stakes in the unlisted trading companies controlled by the associated De Beers Consolidated Mines, contributed less to first-half profits, but this was principally due to timing differences.

Net asset value per share at the halfway stage is shown as R253 (£142.50), against last night's London closing price for the shares of £78.

Lower milling rates hit Barlow Rand gold mines

THE SLIGHTLY SHORTER working period combined with a serious equipment breakdown at one of the mines to lower the milling rate at the gold mines in South Africa's Barlow Rand group in the latest three-month period.

In addition, the mines were unable to benefit from the flexibility in grade demonstrated last week by the mines in the Consolidated Gold Fields group, and gold production was therefore lower in the December quarter.

Unit costs were a little higher than in the September quarter, and the mines thus did well to produce virtually unchanged net profits of R50.6m (£28.5m), compared with R50.9m.

As with the Gold Fields mines, all of the Barlow Rand operations increased their capital spending, which has the effect of reducing the amount payable under the heading of "Taxation and state's share of profits."

The biggest mine in the group, Harmony, was able to show net profits of R25.75m, only slightly down on the previous quarter. Revenue from the by-products uranium, pyrite and sulphuric acid rose by almost R3m to R14.5m.

Blyvooruitzicht also did well in difficult circumstances, with net profits up slightly to R16.06m.

All of the mines suffered from the fall in the average gold price received although the effects of this were mitigated to some extent by the further depreciation of the South African rand relative to the U.S. dollar.

The latest profits are compared in the accompanying table.

	Dec qtr	Sept qtr	June qtr
Blyvooruitzicht	16,056	15,837	20,269
Durban Deep ...	*3,881	*4,049	*3,165
East Rand Pty. ...	*4,995	*4,624	*5,665
Harmony	25,752	25,445	40,702

*After receipt of State assistance.

The group's two marginal mines, Durban Roodepoort Deep and East Rand Proprietary Mines, both resumed hedging transactions on the futures markets in order to limit the extent of their losses. The group reported that these forward sales had no material effect on results for the latest quarter.

Durban Deep did worst, in spite of a small increase in gold grade from 3.32 grammes per tonne to 3.38 grammes. The mine slipped back into a working loss, and has boosted its claim for state assistance to R3.67m against R2.14m in the September quarter.

The amount of ore treated by Durban Deep fell from 610,000 tonnes to 567,000 tonnes, largely as a result of the major breakdown at the winder on No. 5 shaft north. Repairs are likely to cost R719,000, and this amount has been provided for in the latest report.

ERPM produced a working loss of R3.5m, up from a loss of R2.7m last time, and has applied for state aid of R7.04m against R5.6m in the September quarter.

Ladbroke in move to set up U.S. betting operation

BY CHARLES BATCHELOR

LADBROKE GROUP, the betting, hotels and property company, is bidding $23m (£16.3m) for a race track in Phoenix, Arizona in a first move towards establishing a betting operation in the U.S.

The UK group plans to tender for the 95 per cent of Turf Paradise that it does not already own for $7 a share in cash in a deal which values Turf at $17.5m. The quoted bid price for Turf last Friday was $5½.

If this deal is successful Ladbroke will go on to acquire an operating lease currently owned by Arizona Downs, a private company, allowing it to conduct race meetings on Turf's track. This will cost a further $5.6m.

An additional attraction of the deal is that Turf owns 55 acres of land alongside the 220-acre freehold race track which could be developed by Ladbroke's property division.

Ladbroke's decision to buy the Phoenix race track follows a move late last year by the Arizona legislature to allow off-track betting on a pari-mutuel or tote basis.

Only three other states allow this form of betting—New York, Connecticut and Nevada—and in each it is already controlled by local interests.

Mr Cyril Stein, Ladbroke chairman, said: "California and Illinois are expected to change their laws sometime this year and we are in talks to acquire betting operations in both states.

"The individual states are seeking additional revenue from betting while the race tracks are pressing for off-track betting to justify their on-track operations."

Turf's Phoenix race track is the only one in Arizona and is within a built-up area of 1.5m people. Arizona Downs has a lease to operate the track for about half of the 160 days on which racing takes place while Turf operates the track for the rest of the time.

Ladbroke has taken out an option costing between $150,000-$300,000 to acquire the Arizona Downs lease. It will exercise the option once it has 50 per cent of Turf, at which stage it may compulsorily acquire the remaining stock.

Turf reported pre-tax income of $722,000 on total betting turnover of $36.6m and total revenues of $9.9m in the year ended September 30 1983. Arizona Downs made pre-tax income of $311,000 on betting turnover of $35.7m, and total revenues of $7.5m in the year ended June 30 1983. Ladbroke's shares osre 6p to 219p.

Arabs pick up 18.99% stake in Minster Assets

The Kuwait Investment Office has acquired an 18.99 per cent stake in Minster Assets, the insurance, banking and investment company, for an undisclosed sum thought to be between £9m and £10m.

The stake was bought in the stock market following the disposal on Friday of an 18.3 per cent stake by Britannia Arrow Holdings. It makes the Investment Office the largest single shareholder in Minster.

Britannia, which for several years nurtured hopes of merging with Minster, is understood to have been open to an offer for its stake for over a year. A statement said it had sold its 7.84m shares for £8.6m, for a profit of £3.8m over the cost of purchase.

Mr Robin McGibbon, chairman of Minster, said yesterday that his board was "still getting its breath back" after news that the Kuwait Investment Office had bought its stake. He said he had not had contact with the Investment Office, but hoped to meet representatives in the near future.

Other major holders in the company include Save and Prosper, with about 10 per cent, and M and G, with just under 5 per cent.

He noted that the Investment Office "seems to be keen on insurance," with stakes ranging from £40m to £60m in the Commercial Union, Royal Insurance, and General Accident.

Minster Assets' shares leapt to 129p at one point during trading on the stock market yesterday, but settled back to a closing price of 122p for a gain of 6p. The price is a historic high for Minster.

London Brick shares respond to revised bid

BY RAY MAUGHAN

SHARES in London Brick responded to the revised £212m offer from Hanson Trust with a rise of 8p yesterday to 146p. The new terms are worth 145p per share in cash or 150p in new Hanson convertible stock.

London Brick is expecting Hanson to despatch its revised offer documents quickly and intends to reply towards the end of this week with a forecast of 1984 profits which, the defence believes, will be "very good indeed."

The final dividend for last year has been increased to 2.86p per share which would lift the total 1983 dividend by 50 per cent, rather than the 30 per cent improvement projected when London Brick published its first defence document.

London Brick has already estimated that 1983 profits have risen by 70 per cent to £26m which prompted Hanson to amend its terms one week before its first closing date.

London Brick expects its corporation tax rate of 41 per cent in 1983 to fall materially this year with the benefit of capital allowances.

Despite the amendment, however, and the 14-day extension which the new bid requires, it is probable that Department of Trade and Industry will stay by the original deadline of January 20 when deciding whether the deal should be referred to the Monopolies Commission.

Urging shareholders to hold on to their investments, Mr Jeremy Rowe, the chairman, said yesterday that "it has been shown time and time again, that shareholders live to regret selling their shares before a takeover battle has run its full course."

* * *

The proposed acquisition of an interest in Smith Brothers by the Rothschild Group will not be referred to the Monopolies and Mergers Commission.

Completion of the agreement will be on January 18.

Nadir links up with Strong & Fisher

By Ray Maughan

Mr Asil Nadir, the Turkish Cypriot businessman who heads Polly Peck, has completed the latest of a long string of deals with quoted UK companies designed to tap commercial opportunities in Turkey.

The difference this time is that Mr Nadir is not linking up with a "blue chip" industrial company such as Metal Box, Thorn EMI or Racal, but rather a small fellmongery and tannery business, Strong & Fisher, which has recently started recovering after heavy losses.

The link is not being transacted with Polly Peck, or its two quoted affiliates, Cornell and Wearwell, but rather Restro Investments, a private Jersey-based company through which Mr Nadir controls his dominant stake in Polly Peck.

The terms of the deal have no correlation whatsoever with the current Strong & Fisher share price, which closed 37p ahead yesterday at 230p. Restro is subscribing for 3.64m new Strong & Fisher shares, which will give it 24.9 per cent of the enlarged equity, at a price of 70p per share.

That compares with a middle market price of 73p on October 12 when talks started about this deal. Shareholders, who have been happily anticipating a deal of some kind with Mr Nadir ever since, were warned yesterday, that the subsequent rise "cannot be justified in terms of the company's trading alone and is therefore largely speculative in nature."

"Despite the extended nature of negotiations and the delay in finalising the agreement, the board of Strong & Fisher, in all the circumstances, believe that the subscription price of 70p per share continues to represent a proper consideration for the new shares now proposed to be issued."

The association with Mr Nadir is expected to give Strong & Fisher access to projects in the Middle East which will enable Strong & Fisher significantly to expand its overseas operations.

Director reduces Sumrie stake

MR HAROLD SORSKY, a non-executive director of Sumrie Clothes since Mr Harold Tillman won control of the company early last year, revealed yesterday that he had disposed of about 1 per cent of his shares in the company, diluting his stake to 3.14 per cent.

The news came as bid speculation about Sumrie pushed the share price to a record level of 105p at one stage yesterday. It closed unchanged at 100p. This speculation prompted Mr Tillman to announce publicly last week that he had not disposed of any of his shares in the company. These amount to about 8 per cent.

Sumrie's other main shareholder, Leeds-based businessman Mr Harvey Ross, revealed that he had boosted his stake from 29.3 per cent to 29.86 per cent.

The loss-making Yorkshire-based clothes manufacturer was acquired by Mr Tillman in April last year in a deal valuing the company at £1.24m. At present share prices, its market capitalisation is about £2.5m.

In the six months to October 1 this year, losses rose by £60,000 to £94,000 compared with the same six months in 1982. However, Mr Tillman said the trading position was "reasonable," with turnover up, and the second half performance likely to be better than 1982-83.

Mr Tillman said last week that the company's share price had "been active" on talk of a deal "being negotiated" with a Monaco-based company calling itself Chevalerique.

Mr Tillman yesterday denied that any talks had taken place, and said he still had no clear idea of who was behind the company. Chevalerique may have been the buyer of Mr Sorsky's shares. It is understood that it increased its stake last week by 2.5 per cent to 13.6 per cent.

Mr Ross, who acted in concert with Mr Tillman in the bid for Sumrie, has held shares in Sumrie since November 1980. As part of the terms of the Sumrie offer, he agreed to give Mr Tillman first refusal on his stake for one year from the date of the offer. This commitment expires on February 1.

LADBROKE INDEX
805-810 (+7)
Based on FT Index
Tel: 01-493 5261

Hawley in £10.6m U.S. acquisition

Mr Michael Ashcroft's Hawley Group revealed yesterday that it has acquired a privately-owned U.S. company, Ever-green Lawns, in a deal which may amount to $15m (£10.64m).

Ever-green, which is based in Missouri with headquarters in St Louis, has about 75,000 clients, and specialises in treating residential lawns with chemicals and fertilisers.

A spokesman for Hawley said the company, which has been acquired from Mr Paul Daverede and Mr Judd Cramer, had no direct operational links with any of Hawley's other subsidiaries in the U.S., except that it is a service industry with substantial profit potential.

Of the total consideration, $11m is to be satisfied by a vendor placing of Hawley shares. The remaining $4m will be deferred, and dependent on the company achieving profits before tax of at least $10.3m over the three years to October 1986. In the year to October 1983, Ever-green earned pre-tax profits of $2.3m.

Hawley at the same time announced the purchase for $1.5m of Harry H. Stroh Associates, a hospital cleaning and maintainance group based in New Jersey.

This company's operations are seen as being complementary to those of Oxford Services, the Atlanta-based commercial cleaning and maintainance company acquired last year.

Bairstow Eves £2.5m expansion

Bairstow Eves, residential estate agent, is expanding outside its traditional Essex base with the acquisition of Taylors Estate Agency for £2.5m in cash and shares plus a maximum possible bonus payment of £400,000 of shares.

The purchase of Taylors, which has 14 offices in Northamptonshire and Buckinghamshire, increases Bairstow's sales office chain to 80. Initial consideration will be £780,000.

Taylors has warranted profits for the three years to February 28, 1987 of not less than £1.2m pre-tax. The balance of the consideration (£1.72m) will be paid in three equal annual allotments of 789,715 shares at 72.6p.

LEEDS PERMANENT BUILDING SOCIETY

In the course of his address at the 135th Annual General Meeting on January 16th, 1984, to present the results for the financial year ended September 30th, 1983, the President, R. E. Chadwick LL.B., reported:

"...record lending of £1,128 million ...33% more than the previous year's total."

"...half of the Society's new mortgage lending was to first time buyers."

"The Society advanced £160 million to buyers of newly built homes."

FINANCIAL RESULTS

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representing 4.4% of total assets.

New investment accounts opened — 550,000.

the Leeds PERMANENT BUILDING SOCIETY

Head Office: Permanent House, The Headrow, Leeds LS1 1NS.

Johannesburg Consolidated Investment Company, Limited

(Incorporated in the Republic of South Africa)

Interim Report

for the six months ended 31st December, 1983

The following are the unaudited consolidated results of the Company and its subsidiaries:

	Six months ended 31.12.83 RM's	Six months ended 31.12.82 RM's	Year ended 30.6.83 RM's
Profit before taxation	68.4	58.4	123.9
Taxation	8.0	6.1	13.4
Profit after taxation	60.4	52.3	110.5
Outside shareholders' portion of profit (loss)	0.1	(0.7)	(0.8)
Profit before preference dividends	60.3	53.0	111.3
Derived from:			
Income from investments	46.7	35.3	71.0
Attributable earnings of operating subsidiaries	7.6	6.3	19.7
Other net revenue	6.0	11.4	20.6
Preference dividends	4.2	4.3	8.6
Profit attributable to ordinary shareholders	56.1	48.7	102.7
Ordinary dividends	13.2	9.5	47.5
Retained profit	42.9	39.2	55.2
Earnings per share	766c	666c	1,405c
Dividends declared	180c	130c	650c
Net asset value per share (based on market valuations and directors' valuations in respect of unquoted investments)	R253	R180	R213
Number of ordinary shares in issue	7,339,600	7,312,800	7,312,800

NOTES:

(1) Profit attributable to ordinary shareholders at R56.1m was 15.2% higher than that for the corresponding period of last year. This was mainly due to the receipt of dividends of R12 per share on the 532,842 new shares in The Randfontein Estates Gold Mining Company, Witwatersrand, Limited, which were received in exchange for rights in the area to be exploited as the new Doornkop section of Randfontein. Dividends on these shares included the special non-recurring dividend of R4 per share, which was in effect a deferred payment to Johnnies of Randfontein's interim dividend declared in June 1983 to which Johnnies was entitled in terms of the conditions of the exchange. The other major contribution to the higher level of dividend income was an increase of R4.1m arising from the increased final dividend declared by Rustenburg Platinum Holdings Limited in respect of its financial year ended 30th June, 1983. Other net revenue, however, was R5.4m less as a consequence of a lower level of interest received, certain exceptional costs associated with investment acquisitions during the period and a higher provision for tax.

(2) It is unlikely that a similar rate of increase in attributable profits will be achieved in the second half of the year, and in that context, the decision of the board to increase the level of the interim dividend from 130c to 180c per share was taken to reduce the disparity between the levels of the interim and final dividends.

(3) In terms of the provisions of the Share Incentive Scheme, as amended, 26,800 shares were allotted to senior executives of the Company at the middle market price prevailing on 19th September, 1983.

On behalf of the board
G. H. WADDELL } Directors
P. F. RETIEF }

DIVIDEND NO. 116

An interim dividend (No. 116) of 180 cents per share in the currency of the Republic of South Africa has been declared payable to holders of ordinary shares in respect of the year ending 30th June, 1984.

Last date for registration	10th February, 1984
Registers close (dates inclusive) from	11th February, 1984
to	17th February, 1984
Currency conversion date (for payments from London)	27th February, 1984
Date of payment	12th March, 1984

The dividend is declared subject to the customary conditions which may be inspected at or obtained from the Company's Johannesburg office, the office of the London Secretaries (Barnato Brothers Limited of 99, Bishopsgate, London EC2M 3XE) or the London Bearer Reception Office (40, Holborn Viaduct, London EC1P 1AJ). Holders of share warrants to bearer should present coupon No. 116 to the London Bearer Reception Office.

South African Non-Resident Shareholders' Tax at the rate of 14.86 per cent and United Kingdom Income Tax will be deducted from the dividend where applicable.

Head Office and Registered Office:
Consolidated Building
Corner Fox and Harrison Streets
Johannesburg 2001

By order of the board
M. J. MEYER
Secretary
16th January, 1984

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Southern Business hits target and pays 1.25p

ON A £1.18m rise in turnover to £4.74m Southern Business Leasing pushed pre-tax profits up from £699,000 to £1.17m for the year to end-September 1983.

In the share placing prospectus last June the directors forecast profits in excess of £1m and recommended payment of a 1p dividend. In the event, they are paying 1.25p net per 10p share and intend to pay dividends totalling 2p for the current year, compared with a forecast 1.75p.

For the first quarter of the present year the company, which is principally engaged in the operation of service leasing contracts involving the supply and maintenance of photocopiers and drink vending machines, has continued its progress.

The photocopier division again had a successful year and increased the number of its contracted customers. The number of photocopiers installed rose to approximately 2,100, *which compares with 1,700 at* the time of the placing of the company's shares on the USM.

Overall, the division achieved increases in volume and greater market penetration while maintaining its currently agreed geographic boundaries in the south east of England.

Since June the photocopier division has purchased a further three customer bases, which has resulted in 300 new contracts.

They add that consideration is being given to the purchase of larger units. The Maxpax sector had a satisfactory year and achieved steady growth. The group's policy continues to be to supply machines under service lease rather than by outright sale, thereby ensuring a continuing flow of income from machine placements.

At September 30 1983 the group's minimum amount of contracted income had risen to over £19m, an increase of 47 per cent over the position at 1982 year-end.

Tax for the year under review accounted for £34,000 (nil) and extraordinary debits £127,000, against a previous £85,000—these comprised the group's share listing expenses.

Earnings for the period rose from 5.91p to 9.12p per share.

Mr George Stewart, chairman, and Mr David McErlain, managing director, have waived all but 0.0001p of the dividends due to them in respect of 6,300,980 and 1,620,500 shares held in their own names respectively. The *combined amount waived totals* £99,011.

● comment

Southern Business Leasing's maiden figures as a member of the USM are just the right side of what could be expected from a forecast "in excess of £1m" to keep everybody happy. But what now? The group's statement indicates another successful year and judging by its forward business figures that could translate into profits of over £1½m without too much difficulty. Tax remains a matter of ACT only for at least another couple of years. Arguably with only 5 per cent of the photocopier market within its catchment area, SBL has scope for increasing market share. And any fears that Canon might move to another distributor after January 1985 are pooh-poohed by the directors who believe *replacement suppliers would be no* problem. Shareholders, however, might care to ponder on *what would happen if the Canon* distributorship went to a rival in the area. At 111p a fully taxed prospective p/e of 21 halves to 10 on a nil tax basis. Acquisitions to give a third leg to the business are a possibility.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims: Armour Trust, Centrovincial Estates, Electronic Machine, Gnome Photographic Products, Group Investors, Kakuzi, MFI Furniture, Racal Electronics, David S. Smith, Westpool Investment Trust.

Finals: Ashdown Investment Trust, Countryside Properties, Arthur Guinness, Lincroft Kilgour, Trident Television.

FUTURE DATES

Interims:	
Copson (F.)	Jan 24
Cowan, de Groot	Jan 31
Gent (S. R.)	Mar 22
Macarthys Pharmaceuticals	†Jan 24
Park Food	Jan 25
Somportex	Jan 24
Trent Holdings	Jan 24
Wassall (J. W.)	Jan 20
Finals:	
Bestwood	Jan 18
Camford Engineering	Jan 25
Scottish Agricultural Ind	Feb 9

† Amended.

Restmor boosted by new products

REFLECTING THE introduction of new products, pre-tax profits of the Restmor Group rose from £650,000 to £793,000 over the six month period to October 31 1984.

In their interim report the directors say continued capital investment "should ensure that progress will be maintained."

Meanwhile, shareholders benefit from the first-half improvement with a 50 per cent increase in their interim dividend which goes up from 1p to 1.5p net per 25p share.

Turnover for the opening period advanced by £976,000 to £6.83m. The group, based at Wallington, Surrey, manufactures baby carriages and nursery furniture.

Pre-tax figures included a £22,000 lower share of associates loses at £26,000.

Tax took £426,000, compared *with £334,000.*

Earnings per share emerged at 7.1p, against a previous 6.13p.

For the 12 months to end-April, 1983 group pre-tax profits totalled £1.49m (£1.31m) from which a final dividend of 5.5p was paid.

Dewhurst & Partner

Second half taxable profits of electric and motor control equipment manufacturer **Dewhurst & Partner** advanced by £25,000 to £128,000 pushing the total for the year to October 2 1983 to £186,000, compared with £127,000. Turnover for the 12 months moved ahead from £3.25m to £3.68m.

With earnings per 10p share rising from 1.2p to 2.61p, the final dividend is being lifted by 0.15p to 0.45p net, making a total distribution of 0.675p, compared with 0.45p.

Net profits emerged at £188,000 (£87,000)

Wade Potteries

Because of an administrative error by the registrars of Wade Potteries, shareholders have received an overpayment for the final dividend.

Cheques issued have now been stopped and new cheques are being despatched. Any shareholders who have already cashed the cheques will receive instructions as to returning the excess monies.

Anthony Moreton looks at the turnround in Stroud Riley's fortunes

A new style to suit conditions

FIVE of the latest knitting machines from the Swiss group Mayer have just been installed in a section of Stroud Riley Drummond's plant in Lumb Lane, Bradford, and will start running towards the end of this month.

They cost £25,000 each and will be joined in April by another 15, part of a £500,000 investment to take the company increasingly into leisure-wear fabrics.

Ever since it was formed over a century and a half ago Stroud *Riley has been known as a* manufacturer of top-grade worsted cloth for men's suits, the sort of cloth that was made into suits in Savile Row or sold through up-market chains such as Hector Powe.

But four years ago its lifeblood was ebbing out as it steadfastly refused to change with the times and it was only saved, according to Mr Richard Stroud, now managing director, by the arrival as controlling *shareholder of Mr Stefan Simmonds,* who ran a supermarket chain in the north of England. "Without his arrival the company could have died. It was as close as that."

Some of the surgery carried out by Mr Simmonds, now chief executive, was savage in its intensity. The workforce was cut from 350 to 150. "a fair slug of upper and middle management went," new executives brought in, including most importantly a design director, and the company was turned in different directions. In particular it was pointed towards Marks and Spencer.

As a consequence, turnover rose from £7m to £15m last year, though Mr Simmonds adamantly refused to make any projections about this year. "We are not in that business," he says.

As a further consequence of the reorganisation, the company has turned from being a producer of cloth for suits to a volume fabric producer, with a very strong emphasis on overseas sales—around a third last year coming from exports, *largely to the Middle and Far* East and North America.

The link with Marks & Spencer is now vital to the company. Sales of men's suits in the UK have dropped from 7m a year at the end of the 1970s to 3.5m now, with imports taking a larger share of the market.

In that time Marks has come from nowhere to the position where it accounts for three suits out of every 10 sold in Britain. And almost a quarter of the cloth produced by Stroud Riley ends in a suit on one of Marks' rails. "We sell to every maker-up of suits which supplies Marks," Mr Stroud says. As recently as last Autumn the company was saying that its share of cloth going to Marks was "around 20 per cent," so its commitment to the stores group is rising.

If the Marks' connection is important, so too is the change of direction instituted by Mr Simmonds. He has built on the reputation for quality by moving into women's wear, where rapid fashion changes make it more sensible to buy British than rely on Far Eastern sources with *their long lead times.*

On the men's side the concern is also paying more attention to trousers, for which it is developing new fabrics, and jackets. But it is in leisure wear that the group expects to see really big growth.

"This is a very importnat market for us," according to Mr Simmonds. "We have had a small output for some 14 years, but *it is only in the last 18 months* that we have given it particular attention.

"We took a decision that rather than stay at the basic end of the trade with old machinery we would buy new machinery and develop this side of the business intensely. The new machinery in the plant, the Mayers, is evidence of our determination to succeed.

"The biggest change on the woven side has been the move into ladies' cloths. Knitting will be an even bigger change.

"What is important now is that we have the capacity to produce anything. It allows us to find the right business that can make a profit."

Evidence that the policy is working comes from the numbers employed, which have risen to 300. It also comes from the three-shift seven-day working. *Mr Stroud says the company is* now working near to capacity.

If Stroud is to expand the obvious way out is to buy another company, though the board does not see this as being particularly opportune at the moment. It will invest if it can find a company with complementary machinery; the reason it took over the Huddersfield company of J. Haywood from Tootal in 1981 for £520,000.

It will also buy if it sees a *special opportunity.* The purchase of Longbottoms for a nominal amount took it into production of cloths for uniforms, an area considered to have good growth potential.

"Otherwise, we feel strongly there are many technical changes coming in the manufacture of cloth. We want to be flexible so we can respond instantly to changes in customer demand," Mr Simonds says.

"If you cannot repeat an order in the time required you might as well not have won the business in the first place.

"People still tend to think of us as a traditional worsted mill. But with all the changes being made we are now into anything to do with cloth."

Pre-tax profits for the half year ended September 30 1983 slipped from £520,000 to £505,000, but after lower tax, down from £145,000 to £97,000 and an extraordinary debit last time of £81,000, attributable surplus was well up at £408,000 (£294,000).

In order to conserve resources for continuing investment, the interim dividend is unchanged at 0.75p per 25p share which will absorb £52,988 (same).

Turnover moved slightly ahead to £7.77m, compared with £7.63m.

Mr Roy Stroud, chairman, says the results are "extremely satisfactory." Orders have been at a higher level, but margins continue to be keen.

Commenting on the acquisition of Longbottoms last November, Mr Stroud is confident it will add to the group's profitability within the next 12 months.

Confidence at Greenall Whitley

MR CHRISTOPHER HATTON, the chairman of Greenall **Whitley**, tells members in his annual statement that he is confident the group will be able to continue the successful development of its business in 1984.

Last year was one of considerable activity in terms of the expansion of the group's businesses and Mr Hatton states: "We strongly believe in pursuing such a policy."

For the year ended September 30 1983, group pre-tax profits rose by 16 per cent to £24m, against *£20.71m in the previous 53* weeks, on turnover of £258.7m (£226.6m). As reported December 7, the results were considered satisfactory in the light of the continuing trend of generally lower beer sales volume.

The group has maintained the momentum of its capital investment programme. In the UK, out of a total of nearly £20m, some £10m was invested in pubs, hotels and other retail outlets during the year.

Greenall is the UK's largest regional brewer. The company—which also makes, gin, Vladivar vodka and soft drinks—has more *than 1,750 pubs, hotels and off* licences in the UK and also owns nine hotels in the north east of the U.S.

At the year end, net assets were up from £198.93m to £212.58m. Fixed assets amounted to £257.51m (£233.85m), while net current liabilities increased from £2.12m to £10.61m. Net borrowings were up by £2.82m (£10.26m) during the year.

Capital commitments were £2.6m higher at £21.1m, of which £14.6m (£11.5m) was authorised but not contracted.

Meeting, Daresbury, near Warrington, February 9, noon.

Minet furthers Gibraltar probe

BY JOHN MOORE, CITY CORRESPONDENT

Minet Holdings, the British insurance broker, has taken further steps in the Gibraltar courts to recover $40m allegedly misappropriated from Lloyd's insurance syndicates under the group's management by former executives.

Minet Holdings has been attempting to clarify who is responsible for money which was channelled out of the Lloyd's syndicates into *companies* in Gibraltar through a variety of companies, including those owned by Alexander Howden Group, another major broking group which is now owned by Alexander and Alexander Services of the U.S.

Minet discovered that all the assets channelled to Gibraltar were controlled by trust companies of settlements established in Gibraltar, which in turn are controlled by J. A. Hassan and Partner, Gibraltar lawyers.

In a joint statement yesterday by the two underwriting agency companies under the management of Minet, Richard Beckett Underwriting Agencies (formerly PCW Underwriting Agencies) and WMD Under*writing* Agencies, companies under the management of Howden and the Gibraltar trustees, all sides gave an indication of the progress made in the recovery of the money.

A court order has been obtained by the Supreme Court of Gibraltar by J. A. Hassan, acting on behalf of the Gibraltar trustees, and the other parties which provides for the proper preservation and administration of the $40m worth of assets. The court has decided that the matter of all questions of title and the distribution of the assets should be considered in the English High Court.

All sides agree that all or substantially all the assets in question "fall to be credited directly or indirectly" to the benefit of the members of the Lloyd's insurance syndicates managed by Minet's two agency companies. "To the best of their knowledge there is no other party who challenges this."

But there are many matters to resolve before the money can be distributed.

LCP move

LCP Holdings is hoping to float off, as a separate public company, Evans Halshaw Group, its UK vehicle distribution division.

The company has planned to move out of vehicle distribution for some time, to concentrate on its other interests in property and construction, solid fuel distribution and the retailing of automotive parts in the U.S.

Merchant bank J. Henry Schroder Wagg is advising LCP on the offer for sale. A full listing is hoped for in the spring with LCP expecting to retain a stake between 20 and 25 per cent.

Evans Halshaw made a £1.6m trading profit in the last financial year to March and a further £1.45m in the first six months of the current year out of a total of £8.14m for the group.

Rand Mines Group

All companies are Members of the Barlow Rand Group

Gold Mining Company Reports for the Quarter ended 31st December, 1983

(All Companies incorporated in the Republic of South Africa)

Office of the Secretaries of the undermentioned companies in the United Kingdom, 40 Holborn Viaduct, London EC1P 1AJ

HARMONY GOLD MINING COMPANY, LIMITED

ISSUED CAPITAL: R13 442 325 IN 26 884 650 SHARES OF 50 CENTS EACH
REPORT OF THE DIRECTORS FOR THE QUARTER ENDED 31ST DECEMBER, 1983.

OPERATING RESULTS —ALL PRODUCTS	Quarter ended 31.12.1983	Quarter ended 30.9.1983	6 months ended 31.12.1983
Ore milled (t)	1 891 000	2 000 000	3 891 000
Gold produced (kg)	7 763	8 244	16 007
—yield (g/t)	4.10	4.12	4.11
Uranium—slime treated (t)	1 808 000	1 867 000	3 675 000
Oxide produced (kg)	140 700	152 100	292 800
Yield (kg/t)	0.078	0.081	0.080
Pyrite—concentrate recovered (t)	27 603	27 108	54 711
Sulphuric acid produced (t)	38 543	40 756	79 299
Total revenue (R/t milled)	67.04	67.85	67.46
Total costs (R/t milled)	49.54	49.49	49.52
Total profit (R/t milled)	17.50	18.36	17.94
Gold price received (R/kg)	14 417	15 009	14 722
—($/oz)	384	420	403
FINANCIAL RESULTS (R000's) —ALL PRODUCTS			
Revenue—Gold, silver and osmiridium	112 255	124 074	236 329
—Uranium, pyrite and sulphuric acid	14 525	11 643	26 168
Total revenue	126 780	135 717	262 497
Costs	93 691	98 987	192 678
Working profit	33 089	36 730	69 819
Sundry revenue—net	2 743	3 532	6 275
Profit before taxation and State's share of profit	35 832	40 262	76 094
Taxation and State's share of profit	10 080	13 817	23 897
Profit after taxation and State's share of profit	25 752	26 445	52 197
Capital expenditure	13 251	11 352	24 603
Dividend declared	Nil	34 950	34 950

CAPITAL EXPENDITURE

There are commitments for capital expenditure amounting to R14 474 000. The estimated total capital expenditure for the remainder of the current financial year is R35.9 million.

HARMONY NO. 4 SHAFT COMPLEX

Service Shaft

This shaft was sunk 156 metres during the quarter to a depth of 1 104 metres.

No. 4A Ventilation Shaft

This shaft was sunk 212.5 metres during the quarter to a depth of 906.5 metres.

GOLD HEDGING

No gold hedging transactions took place during the quarter.

For and on behalf of the board.

D. T. WATT (Chairman)
M. A. WATSON
Directors

9th January, 1984.

DURBAN ROODEPOORT DEEP, LIMITED

ISSUED CAPITAL: R2 326 000 IN SHARES OF R1.00 EACH
REPORT OF THE DIRECTORS FOR THE QUARTER ENDED 31ST DECEMBER, 1983.

OPERATING RESULTS	Quarter ended 31.12.1983	Quarter ended 30.9.1983
Gold		
Ore milled (t)	567 000	610 000
Gold produced (kg)	1 915.0	2 023.2
Yield (g/t)	3.38	3.32
Revenue (R/t milled)	50.10	50.16
Cost (R/t milled)	51.02	48.32
(Loss)/Profit (R/t milled)	(0.92)	1.84
Revenue (R000's)	28 405	30 596
Cost (R000's)	28 928	29 475
(Loss)/Profit (R000's)	(523)	1 121
Gold price received—(R/kg)	14 792	15 073
—($/oz)	397	424
FINANCIAL RESULTS (R000's)		
Working (Loss)/Profit—Gold	(523)	1 121
Sundry revenue net	733	789
State assistance claimed	3 671	2 139
Profit before taxation and State's share of profit	3 881	4 049
Taxation and State's share of profit	—	—
Profit after taxation and State's share of profit	3 881	4 049
Capital expenditure	3 935	[illegible] 204

CAPITAL EXPENDITURE

There are commitments for capital expenditure amounting to R2 670 000.

OPERATIONS

During September, 1983 a major breakdown occurred at 5 shaft north winder. Between 2 000 and [illegible] 000 tons per month hoisting capacity was lost. The cost of repairs is estimated to be R719 000 and this amount has been provided for in this quarter's working costs.

GOLD HEDGING

The company has sold gold forward on a principal to principal basis as detailed below:—

Year to 31st December, 1984	Kilograms of gold sold	Average realisable value per kilogram sold
1st quarter	249	R15 547
2nd quarter	[illegible]	R15 850
3rd quarter	124	R16 785
4th quarter	[illegible]	R17 436

These transactions had no effect on the results for the quarter ended 31st December, 1983.

For and on behalf of the board.

D. T. WATT
H. G. MOSENTHAL
Directors

9th January, 1984.

EAST RAND PROPRIETARY MINES, LIMITED

ISSUED CAPITAL: R5 544 000 IN SHARES OF R1.00 EACH
REPORT OF THE DIRECTORS FOR THE QUARTER ENDED 31ST DECEMBER, 1983.

OPERATING RESULTS	Quarter ended 31.12.1983	Quarter ended 30.9.1983
Ore milled (t)	690 000	748 000
Gold produced (kg)	2 684.5	2 939.3
Yield (g/t)	3.89	3.93
Revenue (R/t milled)	57.43	59.16
Cost (R/t milled)	62.57	62.72
Profit (Loss) (R/t milled)	(5.14)	(3.56)
Revenue (R000's)	39 625	44 252
Cost (R000's)	43 170	46 916
Profit/(Loss) (R000's)	(3 545)	(2 664)
Gold price received (R/kg)	14 727	15 019
—($/oz)	407	423
FINANCIAL RESULTS (R000's)		
Working profit/(loss)	(3 545)	(2 664)
Sundry revenue—net	1 505	1 699
State assistance claimed	7 035	5 589
Profit before taxation and State's share of profit	4 995	4 624
Taxation and State's share of profit	—	—
Profit after taxation and State's share of profit	4 995	4 624
Capital expenditure	10 549	4 635

CAPITAL EXPENDITURE

There are commitments for capital expenditure amounting to R5 134 000.

GOLD HEDGING

The company has sold gold forward on a principal to principal basis as detailed below:—

Year to 31st December, 1984	Kilograms of gold sold	Average realisable value per kilogram sold
1st quarter	249	R15 547
2nd quarter	498	R15 806
3rd quarter	124	R16 785
4th quarter	124	R17 465

These transactions had no effect on the results for the quarter ended 31st December, 1983.

For and on behalf of the board,

D. T. WATT (Chairman)
M. A. WATSON
Directors

9th January, 1984

GENERAL NOTES

1. All financial figures are subject to audit.
2. GOLD MINES
Operating results
There were 87 milling days in the quarter as compared with 91 in the September quarter and this resulted in lower production in the quarter ended 31st December, 1983.

BLYVOORUITZICHT GOLD MINING COMPANY, LIMITED

ISSUED CAPITAL: R6 000 000 IN 24 000 000 SHARES OF 25 CENTS EACH
REPORT OF THE DIRECTORS FOR THE QUARTER ENDED 31ST DECEMBER, 1983.

OPERATING RESULTS	Quarter ended 31.12.1983	Quarter ended 30.9.1983	6 months ended 31.12.1983
Gold			
Ore milled (t)	565 000	592 000	1 157 000
Gold produced (kg)	4 145.8	4 545.6	8 691.4
Yield (g/t)	7.34	7.68	7.51
Revenue (R/t milled)	107.48	115.58	111.63
Cost (R/t milled)	61.01	59.40	60.19
Profit (R/t milled)	46.47	56.18	51.44
Revenue (R000's)	60 729	68 425	129 154
Cost (R000's)	34 473	35 167	69 640
Profit (R000's)	26 256	33 258	59 514
Gold price received—(R/kg)	14 611	15 005	14 817
—($/oz)	383	422	406
Uranium oxide			
Slime treated (t)	481 433	504 618	986 031
Oxide produced (kg)	57 432	82 257	137 689
Yield (kg/t)	0.119	0.159	0.140
FINANCIAL RESULTS (R000's)			
Working profit: Gold	26 256	33 258	59 514
Working profit (loss): Uranium oxide	2 019	(1 238)	781
Sundry revenue (net)	1 858	2 662	4 520
Profit before taxation and State's share of profit	30 133	34 682	64 815
Taxation and State's share of profit	14 077	18 845	32 922
Profit after taxation and State's share of profit	16 056	15 837	31 893
Capital expenditure	5 960	3 598	9 558
Dividend declared	20 400	—	20 400

DIVIDEND

Interim dividend No 76 of 85 cents per share was declared on 12th December, 1983 payable on or about 3rd February, 1984 to shareholders registered at the close of business on 30th December, 1983.

CAPITAL EXPENDITURE

There are commitments for capital expenditure amounting to R1 100 000. The estimated total capital expenditure for the remainder of the current financial year is R12.9 million.

GOLD HEDGING

No gold hedging transactions took place during the quarter.

URANIUM OXIDE

The decrease in uranium oxide produced was mostly caused by a drop in grade of the surface slime currently being reclaimed and processed.

For and on behalf of the board.

J. R. FORBES
D. T. WATT
Directors

10th January, 1984.

Copies of these quarterly reports are obtainable from the United Kingdom Registrars and Transfer Agents Charter Consolidated P.L.C., P.O. Box No. 102, Charter House, Park Street, Ashford, Kent TN24 8EQ.

This announcement appears as a matter of record only.

ASHTON MINING LIMITED
and its subsidiaries

ARGYLE DIAMOND MINES JOINT VENTURE WESTERN AUSTRALIA

US$ 175,000,000
project financing

A$ 70,000,000
share placement and rights issue

FINANCIAL ADVISER TO ASHTON MINING LIMITED

KLEINWORT, BENSON LIMITED
January 1984

SECTION III – INTERNATIONAL MARKETS

FINANCIAL TIMES

Tuesday January 17 1984

U.S. companies flock for listing in market, Page 24

WALL STREET

Assessing a changing profile

THE FINANCIAL markets on Wall Street spent yesterday's session slowly readjusting to the profile of the U.S. economy as disclosed by the latest batch of official statistics, *writes Terry Byland in New York.*

The bond market remained firmly at the higher levels established after Friday's surprise announcement by the Commerce Department that retail sales had risen by only 0.1 per cent in December, compared with forecasts of around 2 per cent in the stock market.

Also indicating a moderation of growth in the U.S. economy were slender increases in industrial production and in factory operating rates, announced by the Federal authorities.

These official statistics all indicated a slackening in upward pressures on interest rates and even encouraged hopes that the Federal Reserve Board might find it possible to ease credit policies over the next few weeks.

Bond prices moved up again yesterday, to show gains of more than one point since Friday's retail sales announcement.

The stock market looked less sure of itself, however, and stock prices, after moving hesitantly at first, began to slip lower at mid-session.

By 3.00 pm, the Dow Jones industrial average was 3.87 down at 1266.23 after a fall of 9.21 on Friday. The prospect of lower interest rates was overshadowed by doubts over the outlook for corporate profits in the light of the trends disclosed by the latest official statistics. The Dow finished down 2.51 at 1,267.59.

Good results from NCR, the cash register and computer manufacturer, left the shares little changed at $127 but there were a number of bright spots among the high technology issues.

Helpful for the market was a firmer trend in IBM, although at $119½, with a gain of $¾, the stock was below the best level of the day.

Digital Equipment, number two to IBM in the information processing industry, jumped by $6½ to $84⅝ after promising an improvement in second quarter earnings – a welcome recovery from the savage drop in earnings in the first quarter.

Prime Computer at $19⅞ was $1 better on hopes of improved profits.

Among the personal computer manufacturers, Commodore International made a delayed trading start after Friday's announcement that Mr Jack Tramel the chief executive, was leaving the company. Later, Commodore traded $4⅞ off at $43⅜, with more than 1m shares turned over as investors assessed the implications for Commodore of the departure of the executive who has been credited with the powerful growth record of the group.

Hewlett Packard. $1⅜ higher at $43⅞ also rose sharply in good turnover.

The shocks of the session came in the utility sector where further problems regarding nuclear power stations wrought fresh havoc with stock prices.

Hardest hit was Commonwealth Edison, the Chicago-based electricity generating group, which slumped by 5 points to $22¼ on the refusal of a federal licence for its $3.35bn nuclear plant. Commonwealth Edison assessed the costs of a delay in starting up the plant at about $1m daily and said it would appeal against the refusal. More than 4.5m shares in the group were traded.

Public Service of Indiana was suspended on its announcement of a dividend cut and cancellation of the ill-fated Marble Hill nuclear project, and later returned to trade at $10½, a further fall of $1⅛ after the heavy setback in December when the Marble Hill project's problems upset stock market investors.

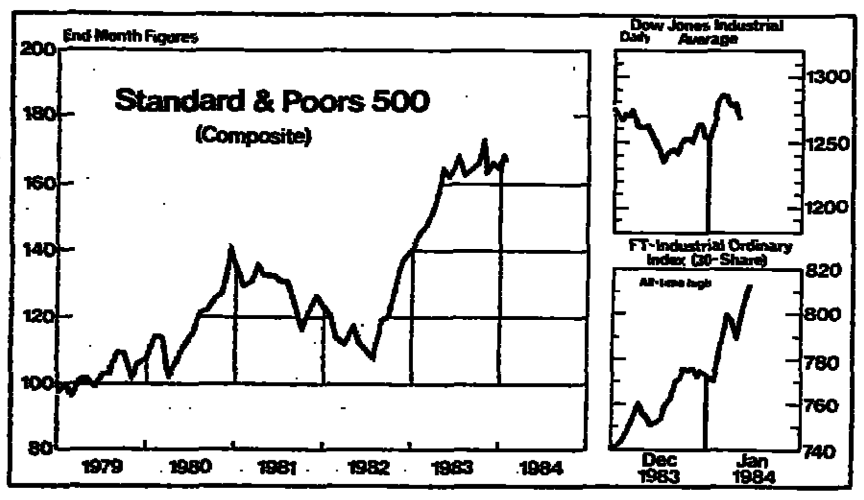
The bank quarterly reporting season continued, with First Chicago adding $¼ to $26¼ and Chase Manhattan $⅛ higher at $49, both after disclosing improved earnings.

Credit markets were quiet despite the optimism regarding interest rates generated by the low level of retail sales growth. The best gains came at the longer end of the bond market where fears of inflation have been strongest.

The key long bond moved to 103 6/32, a net gain of 1/32 on Friday's final quotations, and yielded 11.58 per cent, its lowest yield since the beginning of December.

Treasury bill rates added about five basis points, putting the three month bill at 8.78 per cent and the six month at 8.90 per cent.

KEY MARKET MONITORS



STOCK MARKET INDICES

	Jan 16	Previous	Year ago
NEW YORK			
DJ Industrials	1267.59	1270.10	1080.85
DJ Transport	600.54	602.96	467.68
DJ Utilities	130.35	134.30	124.63
S&P Composite	166.79*	167.02	146.65
LONDON			
FT Ind Ord	813.70	808 10	619.80
FT-A All-share	492.90	490.81	395.82
FT-A 500	562.32	523.34	432.55
FT-A Ind	486.65	484.19	403.00
FT Gold mines	542.80	548.60	660.40
FT Govt secs	83.33	83.33	79.49
TOKYO			
Nikkei-Dow	closed	10,150.80	8088.53
Tokyo SE	closed	762.24	592.86
AUSTRALIA			
All Ord.	769.90	775.00	529.80
Metals & Mins.	533.20	541.10	463.90
AUSTRIA			
Credit Aktien	55.30	55.13	49.92
BELGIUM			
Belgian SE	142.04	141 02	103.16
CANADA			
Toronto Composite	2560.50*	2565.40	2073.20
Montreal Industrials	445.49*	446.22	358.17
Combined	429.49*	430.14	342.02
DENMARK			
Copenhagen SE	221.35	221.80	102.86
FRANCE			
CAC Gen	167.60	167.30	102.80
Ind. Tendance	108.30	108.60	62.50
WEST GERMANY			
FAZ-Aktien	351.62	353.32	247.53
Commerzbank	1040.30	1043.80	745.50
HONG KONG			
Hang Seng	975.17	975.47	886.34
ITALY			
Banca Comm	219.04	212.34	168 90
NETHERLANDS			
ANP-CBS Gen	164 20	164.20	106.20
ANP-CBS Ind	137.40	136.60	91.00
NORWAY			
Oslo SE	234.98	233.60	115 98
SINGAPORE			
Straits Times	1042.56	1035.21	757.70
SOUTH AFRICA			
Golds	806.4	827.40	1042.60
Industrials	985.9	992.40	796.50
SPAIN			
Madrid SE	closed	108 24	84.28
SWEDEN			
J & P	1528.43	1526.50	980.60
SWITZERLAND			
Swiss Bank Ind	384 10	386.00	296.90
WORLD	Jan 13	Prev	Yr ago
Capital Int'l	186.50	186.10	160.20

GOLD (per ounce)

	Jan 16	Prev
London	$367.125	$371.625
Frankfurt	$369 25	$373.25
Zürich	$369.25	$373.50
Paris (fixing)	$371.19 *	$371.02
Luxembourg (fixing)	$371.45	$371.50
New York (Jan)	$369.50 *	$371.10

* *Latest available figure*

CURRENCIES

(London)	U.S. DOLLAR Jan 16	U.S. DOLLAR Previous	STERLING Jan 16	STERLING Previous
$	–	–	1.4205	1.408
DM	2.796	2.8125	3.975	3.9625
Yen	233.25	233 6	331.5	329.0
FFr	8.5525	8.605	12.1425	12.115
SwFr	2.219	2.23	3.155	3.1425
Guilder	3.146	3.162	4.47	4.455
Lira	1695.5	1705.5	2408.0	2401.0
BFr	57.06	57.34	81.05	80.75
C$	1.245	1.24725	1.768	1.7565

INTEREST RATES

	Jan 16	Prev
Euro-currencies (offered rate)		
£	9½	9⅝
SwFr	3¾	3¾
DM	6 1/16	6 7/16
FFr	13½	13⅜
FT London Interbank fixing (offered rate)		
3-month U.S.$	9 13/16	10
6-month U.S.$	10 1/16	10¼
U.S. Fed Funds	9 7/16*	9⅝
U.S. 3-month CDs	9.35*	9.40
U.S. 3-month T-bills	8.78*	8.71

U.S BONDS

Treasury	Jan 16 Price	Jan 16 Yield	Prev Price	Prev Yield
10⅞ 1985	100 22/32	10 48	100 23/32	10.47
11¾ 1991	101 11/32	11.45	101 9/32	11.29
11.75 1993	101 7/32	11.53	101 7/32	11.53
12 2013	103 6/32	11.61	103 5/32	11.63
Corporate	Jan 16* Price	Yield	Prev Price	Yield
AT & T				
10⅜ June 1990	94⅛	11.70	93½	11.80
3⅞ July 1990	68⅝	10.75	68⅜	10.80
8¾ May 2000	75¾	12.20	75½	12.25
Xerox				
10⅜ March 1993	93¼	11.80	92½	12.00
Diamond Shamrock				
10⅞ May 1993	91⅝	12.15	91⅝	12.10
Federated Dept Stores				
10¾ May 2013	87¼	12.25	86	12.40
Abbot Lab				
11.80 Feb 2013	96	12.30	95¼	12.40
Alcoa				
12¼ Dec 2012	97¼	12.60	96	12.80

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
March	71–22	71–24	71–10	71–15
U.S. Treasury Bills (IMM) $1m points of 100%				
March	91.08	91.10	91.03	91.10
Certificates of Deposit (IMM) $1m points of 100%				
March	90 43	90 46	90 37	90 43
LONDON				
Three-month Eurodollar $1m points of 100%				
March	90.24	90 26	90 17	90 16
20-year Notional Gilt £50,000 32nds of 100%				
March	109–27	110–05	109–13	109–28

COMMODITIES

(London)	Jan. 16	Prev
Silver (spot fixing)	571.40p	577 25p
Copper (cash)	£954.50	£973.25
Coffee (Jan)	£2042.50	£2046.00
Oil (spot Arabian light)	$28.57	$28.57

LONDON

Record high as advance continues

THE BOOM in London equity markets continued in remarkable fashion yesterday. The start of a new fortnightly trading account brought aggressive speculative interest and a resurgence of support from UK investment institutions.

The big attraction and most actively traded stock was Strong and Fisher. From an opening low of 165p, the price soared to 275p before closing a net 37p up at 230p.

The FT Industrial Ordinary index advanced consistently to close 5.6 up at the day's highest and a best-ever 813.7

Government stocks attempted to extend Friday's upturn but the movement soon faltered. At the close shorts recorded fractional improvements and the longs were slightly mixed.

Mining markets started the week on a depressed note. Last week's favourite, De Beers, encountered heavy profit – taking and retreated 25p to 555p.

Details, Page 25; Share information service, Page 26–27.

SINGAPORE

SELECTIVE BUYING support interspersed with profit-taking left shares to end mixed in Singapore.

Turnover was an active 21.2m units, but this was still down from 29.8m last Friday.

The Straits Times index closed 7.35 higher at 1,042.56 and the measure is thought unlikely to climb to 1,050 before a correction phase. However, one investment company believes the next upsurge could take the index past the 1,150 mark.

The actives list was headed by Supreme Corporation which closed 6 cents lower at S$2.18. Newly listed L and M Group Investment traded at between S$4 and S$3.84 before closing at S$3.92.

AUSTRALIA

A WAVE of domestic and overseas selling overwhelmed buyers leaving shares lower again in Sydney, in continued reaction to the record breaking gains of a fortnight ago.

The downward trend is attributed to investors apparently re-evaluating the price/earnings ratios for Australian companies in view of the recent gains.

Trading was moderately active and the All Ordinaries index finished at 769.9 compared with Friday's 775.0 and the record 787.9 achieved on January 9.

Leading base metal miners had a firm start but later turned broadly weaker. BHP fell 15 cents to A$13.75, after a low of A$13.70.

SOUTH AFRICA

A VERY QUIET early session in **Johannesburg** later became relatively active and gold shares closed easier as the bullion price slipped.

Light profit-taking left heavyweight Freguls down R2 at R41, while among the lightweights, Loraine fell 30 cents to R5.85.

Industrials closed quietly mixed.

CANADA

WEAKNESS in golds, oils, metals and transport issues led prices lower in **Toronto** in light trading.

Bank of Montreal down an early C$¼ to C$31¼ after the annual meeting was told that directors approved a C$275m preferred share issue

In **Montreal**, industrials, utilities and banks were down while papers moved up.

TOKYO

Signs point to continued uptrend

AFTER the surge of the Nikkei Dow-Jones index through the 10,000 barrier early this month, many securities firms and investors are bullish about the market's prospects for this year, *writes Shigeo Nishiwaki of Jiji Press.*

Officials of leading investment management companies, making investments on behalf of U.S. private pension funds and wealthy investors in the Middle East, are also apparently convinced that the Tokyo stock market will continue its bull run in the course of this year.

The Nikkei-Dow market average continued to advance more quickly in the 13 trading days from Dec 24 last year, to Jan 13, with only one day of correction, for a hefty net gain of 466.8 points.

THE TOKYO market was closed yesterday for a public holiday.

In the face of such a strong surge, all officials are cautious about the near-term outlook. "The market has gone so wild that it may suffer a short-lived setback in the near future," says Mr Yasuyoshi Fujisakik, President of Daiwa International Capital Management Co.

"If the Dow surges to around 11,500 by the end of February, it should inevitably bounce back to about 9,500, " notes Mr Tatsuro Yoshida, President of Yamaichi International Capital Management Co.

Nevertheless, the consensus is that the upward trend that began in the autumn of 1982 will continue well into this year. Many believe that the Dow will be hovering around the 10,000 level early this spring, after some corrections at a time when many listed corporations settle their accounts, and will then resume its advance to move to around 12,000 from early autumn until late this year.

For the year as a whole, they project a rise of a magnitude about the same as the 23.3 per cent gain scored in 1983.

The bullish view is bolstered by the continuing good performance of the nation's economic fundamentals. Specifically, analysts are pinning high hopes on the recent pickup of stock investments by financial and industrial corporations with large surplus liquidity,

Mr Goro Fujikawa, President of Nikko International Capital Management Co. says: "The number of foreign investors, in trading volume, in the first section of the Tokyo Stock Exchange will rise to an average of around 20 per cent from just over 10 per cent in 1983 and they will most likely reach 50 per cent when exceptionally heavy foreign purchases are made."

However, Mr Tadashi Kusume, Executive Vice President of Nomura Investment Management Co, warns against such a sanguine view, saying: "If the U.S. economy enters a phase of overheating, Wall Street stock prices will fall precipitously in anticipation of a major economic downturn in the few months ahead, producing some impact on the Tokyo stock market."

HONG KONG

Gains lost as profits are taken

ACROSS-THE-BOARD. profit-taking in heavy trading wiped away early gains in Hong Kong as the market entered a correction phase in reaction to last week's widespread advance.

The Hang Seng index, which was 15.95 ahead at mid-session, closed the day down 0.30 at 975.17.

Despite the selling, market sentiment remains positive and unaffected by the disturbances seen at the end of last week.

In corporate news, Goodyear Estates, a second line property company, was suspended pending a statement. Goodyear was last quoted at HK$60.

Of the leaders, China Light shed 20 cents to HK$12.40, Hongkong Land 8 cents to HK$3.17, Hutchison Whampoa 30 cents to HK$16.30 and Swire Pacific "A" 20 cents to HK$16.90.

Meanwhile, Hang Seng Bank has replaced four of the 33 constituents of its index. Dropped are Cross-Harbour Tunnel, Hongkong Aircraft Engineering, Harbour Centre Development and Wheelook Maritime International.

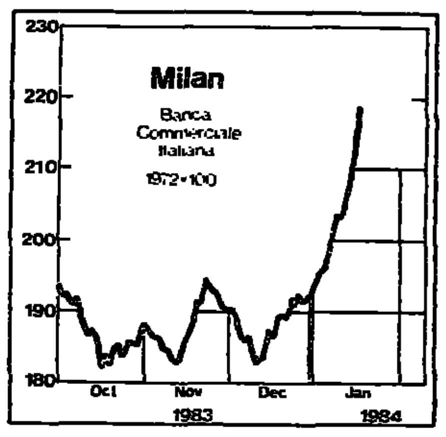
EUROPE

Milan steps into the limelight

INVESTORS began the week in a cautious mood in many major European centres, with Wall Street's lower pre-wekend trend providing a pause for thought.

Shares ended mixed to lower on most bourses, although Belgium continued its 10-year record-setting run and other peaks were reached in Italy and Norway.

In **Milan**, a wave of steady purchases by institutional and private buyers provided the most active session for months. The market index added 6.7 to 219.04, which compared with the previous peak of 214.93 set in March of last year.



The rally, led by large industrial, banking, property and insurance issues, was attributed to expectations of good 1983 corporate results and dividends.

The trend continued in the unofficial after-bourse, unaffected by technical problems triggered by the monthly settlement day.

Anticipation of good results boosted Fiat L79 to L3,608 and the retail group Rinascente L15 to L412. Among holding companies, Centrale added L70 to L1,735 and Bastogi L14 to L183.

Continued on Page 24

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NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
18⅝	8⅛	AAR	.44	2.5	22	72	18	17¼	17¼	-½
52⅛	30½	ACF	1.40	3.0	221	77	46¾	46⅛	46½	-¼
22	18¾	AMCA	n			1	20¼	20¼	20¼	
18⅞	14¼	ANF	.50	3.2		281	15⅝	15¼	15⅝	
39¼	18½	AMR Cp			17	4305	38¾	38	38½	+¼
19¾	16⅞	AMR	pf2.18	11.		69	19¾	19½	19½	+⅛
40½	24⅞	AMR	pf2.13	5.5		239	39	38½	38⅞	
26¾	23⅞	ANR	pf2.67	11.		6	24⅛	24¼	24¼	-⅛
23⅞	20	ANR	pf2.12	10.		1	20¾	20¼	20¼	-¼
16¼	3⅛	APL			20	15	13¾	13⅝	13¾	+¼
55¼	33¾	ARA	2.05	3.9	12	153	53⅞	52¾	53	-½
79⅞	50¼	ASA	3a	5.7		253	55¼	52⅝	53	-1½
33¼	14⅛	AVX	s .32	1.1	43	216	28½	27¾	28¼	-½
53⅛	36⅛	AbtLab	1	2.2	17	3540	45⅞	44⅛	45½	+⅞
30⅛	23¾	AccoW	n .60	2.1	21	55	29½	28⅞	28⅞	-⅜
27½	17⅛	AcmeC	.40	1.5		94	27	26¼	26⅝	-⅞
14⅛	8⅞	AcmeE	.32b	2.9	550	59	11¼	11	11	-⅛
24⅞	8⅝	AdmDg	.04	.2	14	23	17⅝	17¼	17⅝	
18⅞	15	AdaEx	2.11e	11.		3746	u18¾	18⅝	18⅝	+⅜
19¾	7¼	AdmMl	.24	1.4	8	5	17½	17½	17½	
18⅝	8¼	Advest	.12	1.0	8	46	12⅞	12½	12½	-⅜
37½	15½	AMD	s		44	1749	37½	35¾	35	
24⅞	13⅞	Aerflx	s		16	61	16¼	15⅞	16	
43½	32⅞	AetnLf	2.64	7.3	9	1206	36⅛	35⅞	36⅛	+⅛
65	55¼	AetL	pf5.05e	8.8		32	57⅞	57	57¼	+¼
40½	22½	Ahmns	1.20	3.5	9	1232	34⅜	33¼	34¼	+1
7⅜	3	Aileen				58	4⅝	4¼	4¼	-⅛
51	37⅞	AirPrd	1	2.2	13	308	46⅜	45⅝	45⅝	-½
30⅛	17	AirbFrt	.60	2.1	23	151	28¼	28	28	-¼
2⅞	1⅜	AiMoa	s		25	2386	u3	2½	2⅞	+½
33½	29¼	AlaP	pfA3.92	13.		3	29⅞	29⅝	29⅞	
7⅜	6½	AlaP	dpf.87	12.		13	7⅛	7	7⅛	+¼
74½	65⅞	AlaP	pf 9	13.		z20	67¼	67¼	67¼	-1¼
81½	69	AlaP	pf9.44	13.		z770	71½	70½	71½	+1
71	59	AlaP	pf8.16	13.		z460	64	63¾	63⅞	+¼
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

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AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
4¼	2⅝	AICPh				2	3¼	3¼	3¼	
6⅞	1⅝	ATI				22	2	1⅞	1⅞	
12¼	3⅛	AcmePr			38	11	6½	6⅜	6½	+¼
19½	12¼	AcmeU	s.32	2.1	17	2	15½	15½	15½	-⅛
14⅝	5⅝	Action	s		10	44	14	13⅞	14	
12	6⅞	Adams	.11	1.2	28	41	8½	8⅜	8⅜	-⅛
6½	1⅞	Actn	wt			36	3½	3¼	3¼	-⅛
8	1⅝	AdmRs				19	3½	3¼	3½	+⅛
30⅞	21⅛	AdRust	s.10	.4	14	51	22⅞	22¼	22⅞	+⅛
28⅞	15	Adobe	.24	1.1	15	70	21⅞	21	21⅝	+⅞
5⅛	2⅞	AeroCp			14	102	4	3⅞	4	
7	4	Aeronca			9	46	6¼	6¼	6¼	+⅛
32½	17⅝	AffHsp	.36	1.5	10	25	24½	23⅞	23⅞	-⅜
45	38¼	AlPb	s.64	1.5	16	15	42¼	41½	42¼	+⅜
17½	6⅞	AirStx	.06e	.5	9	26	12¼	12	12	
15½	8⅝	AirExp				171	6⅞	6½	6⅝	+⅛
6⅜	4	Alamc	n		9	99	4⅝	4¼	4⅝	+⅛
23⅛	6⅞	AlbaW	.15e	1.1	9	13	13¼	13¼	13¼	
12¼	4⅞	AlnTr	s			2	4⅞	4⅞	4⅞	
10⅞	5⅞	AlphaA	.49r	6.3		12	7¼	7⅜	7⅜	
39¼	17½	Alphaln	.05	.2	29	56	21⅝	21½	21½	-⅛
2⅞	1¼	Altex				165	1½	1⅛	1½	
11-16	1-16	Altex	wt			140	¼	3-16	¼	+1-16
32½	14⅛	AlzaCp				408	17¼	16⅞	17¼	-⅛
29⅞	15	Amdhl	s.20	1.1	29	2961	18⅞	18⅜	18⅞	+⅛
25⅞	7½	Amedco	.08	.5	20	40	16¼	15	16¼	
7½	4	AmBlt	.15	2.5	16	12	6	5⅞	6	+⅛
8⅞	2	AmCap			91	139	7¼	7¼	7¼	-⅛
39	27	AContrl	.80e	2.5	10	2	31¼	31¼	31¼	-⅛
44¼	18¼	AExp	wt			48	22	21⅞	22	+⅛
12⅞	5⅞	Alsrael			2	49	6⅞	6⅜	6⅜	-⅛
19⅝	12	AMzeA	.52	2.9	58	32	18	17⅞	18	
18¼	12½	AMzeB	.52	3.1	55	1	17	17	17	
19¼	2¼	AMBld	s			161	2⅞	2⅞	2⅞	-⅛
38½	27	AMetln	.30	.8	13	9	35½	35¼	35½	+⅛
60¼	47⅛	AmPetf	3.20	5.4	14	18	59⅞	57⅞	59⅜	+1⅞
8⅝	4⅛	AmPlan				38	7⅞	7⅝	7⅞	+⅛
20⅞	11⅝	APrec	.28	1.6	15	2	17¼	17¼	17¼	
9	5	AmRlty			38	2	7¼	7¼	7¼	-⅛
12⅞	4⅛	AScIE				16	5⅞	5¼	5⅞	+⅛

Continued on Page 24

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 22

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
43	23⅛	Transco	2.04	5.4	8	131	37⅞	37½	37⅞	+⅛
48½	38	Trnsc	pf3.87	8.6		10	44¼	44¼	44¼	-¼
22⅞	20⅜	TrnEx	n 1e	4.8		44	21	20⅝	20⅞	-⅛
18⅞	4⅝	Transcn				183927	18⅞	16	16½	-⅜
89	77	TrGP	pf8.64	11		z30	80	80	80	
23½	21½	TrGP	pf2.50	11		1	22⅞	22⅞	22⅞	+⅛
13	6	TrnsOh			29	102	11¼	11½	11¼	+⅛
38⅞	27¼	Tranwy	1.80	4.7	27	44	38⅞	38¼	38¼	
34⅛	22⅞	Travler	1.92	6.1	8	373	32	31¼	31½	
31	24⅛	TriCon	5.55e	18		707	30¼	30⅛	30½	-⅛

Continued on Page 24

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a-dividend also extra(s). b-annual rate of dividend plus stock dividend. c-liquidating dividend. cld-called. d-new yearly low. e-dividend declared or paid in preceding 12 months. g-dividend in Canadian funds, subject to 15% non-residence tax. i-dividend declared after split-up or stock dividend. j-dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k-dividend declared or paid this year, an accumulative issue with dividends in arrears. n-new issue in the past 52 weeks. The high-low range begins with the start of trading. nd-next day delivery. P/E-price-earnings ratio. r-dividend declared or paid in preceding 12 months, plus stock dividend. s-stock split. Dividends begins with date of split. sls-sales. t-dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u-new yearly high. v-trading halted. vi-in bankruptcy or receivership or being reorganised under the Bankruptcy Act or securities assumed by such companies. wd-when distributed. wi-when issued. ww-with warrants. x-ex-dividend or ex-rights. xdis-ex-distribution. xw-without warrants. y-ex-dividend and sales in full. yld-yield. z-sales in full.

WORLD STOCK MARKETS

NEW YORK FLOTATIONS

Companies flock to the market

MORE THAN three new companies a day were being floated on U.S. stock markets last year and the amount of money raised rose to a record of $12.9bn as small companies flocked to take advantage of the sharp recovery in Wall Street prices that began in the summer of 1982, *writes William Hall in New York.*

A total of 887 U.S. companies came to the market with initial public offerings of their equity in 1983 – more than four times the number in 1982. The amount of money raised was nine times the amount in 1982 and nearly four times the previous record of $3.32bn set in 1981.

However, the number of U.S. companies going public fell somewhat short of the 1,020 offerings that occurred in 1969, according to New Issues, a Florida-based investment letter that tracks overall market statistics.

The average size of issue in 1983 was $14.5m, more than double the previous year's average. Over 99 per cent of the initial public offerings were made on the *over-the-counter market.*

The biggest initial public offering last year was made by Philadelphia Savings, the biggest savings bank in the U.S., which raised $374.4m last August. It was followed by California Federal ($293m) and Glendale Federal ($244m).

Ford Motor Company retains the record for the largest initial public offering – $658m – which it made in January 1956.

The surge in new issues last year was due to several factors. First, the record stock market advance that extended from August 1982 through mid-1983 created the most favourable investment climate for several years for companies to go public.

Second, a significant increase in average size of issues substantially boosted the dollar total. Third, technological advances and a gradual maturing of many computer-based and health service industries created a substantial demand for new capital.

Savings banks, which converted from mutual status to stockholder status, were one of the biggest categories. The New Issues investment letter notes than 62 mutual savings and loan associations converted to stock companies raising $2.4bn.

According to the news letter, 11 of the 15 largest initial public offerings in history were completed in 1983.

The Baltimore-based company of Alex Brown and the New York-based D.H. Blair each handled 41 new equity issues. They were followed by E.F. Hutton, L.F. Rothschild, Prudential-Bache and Merrill Lynch. For the first time in recent times, the main Wall Street brokerage *firms began to become actively involved* in the new issues market, according to Mr Norman Fosback, editor of New Issues.

The company believes that the pace of new issues will continue brisk in 1984. "Our initial estimates for 1984 are for 700 offerings, totalling $11bn," says Mr Fosback.

EUROPE

Continued from Page 21

Of the banks, Mediobanca gained L1,910 to L61,900 and Credito Italiano L160 to L4,159.

In **Brussels,** Petrofina again led the market higher and the Belgian SE index edged another 1.02 ahead to a 10-year peak of 142.04 – close to its all time high of 142.33. Petrofina gained BFr 140 to BFr 6670.

The financial sector proved firm with Groupe Bruxelles Lambert BFr 50 ahead at BFr 2,600 while Société Générale de Belgique added BFr 15 to BFr 1,770.

In **Oslo,** the stock exchange index was up 1.38 to another peak of 234.98.

Profit-taking, and position-squaring left **Frankfurt** to close mixed to easier and the Commerzbank index was down 3.5 at 1,040.3.

The easier background was also accentuated by the expiry of nine month option contracts written after a change in rules to ease option trading last April. The majority of expiring contracts were put options, leading to extra selling pressure.

Sales of the Government's share of energy company Veba began but the company closed unchanged at DM 169.30 after slipping back from a day's high of DM 169.70.

Bonds firmed broadly on moderate volume as the dollar's decline brought reinvestment in mark-denominated paper. The strong close of the bond market in New York last Friday also encouraged investment in fixed interest paper.

The Bundesbank sold DM 51.5m of paper to balance the market compared with Friday's sales of DM 12.5m.

Renewed foreign buying helped to reverse an early easier trend in **Amsterdam** and the ANP-CBS General index ended unchanged at 164.20.

Among internationals, Philips fell Fl 2.20 to Fl 45.50 while Unilever was down 30 cents to Fl 268.

Bonds were buoyed by hopes of an easing in U.S. credit policy and they ended the session slightly firmer in livelier trading than in some recent sessions.

Trading calmed in **Zurich** as the market moved to consolidate last week's gains and investors became cautious about Wall Street's pre-weekend tone and uncertainty about further movements of the dollar.

Profit-taking was registered in some recently favoured secondary issues, but price changes in other sectors was limited.

Ciba-Geigy shed SwFr 15 to SwFr 2,315

Bonds were little changed in a featureless market.

Another active session was seen in **Paris** but the market ended lower on balance.

Thomson-CSF hed FFr 4 to FFr 270 despite the weekend announcement of a major contract for Saudi Arabia. However, CIT-Alcatel added FFr 185 to FFr 1,515 and Matra advanced FFr 56 to FFr 1,489.

Shares recovered from a weak start in **Stockholm** to finish slightly higher on the day in quiet trading.

Alfa-Lavel, the engineering, agriculture and food processing group added SKr 5 to SKr 280 following its announcement that it had eached agreement in principle to take over West Agro, a division of West Chemical Products of the U.S.

AMERICAN STOCK EXCHANGE CLOSING PRICES

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NEW YORK CLOSING PRICES

Continued from Page 23

JAPAN

Jan. 13	Price Yen	+ or –
Ajinomoto	1,100	–40
Alps Electric	1,450	+10
Amada	1,080	+20
Asahi Chem	466	+4
Asahi Glass	708	–3
Bridgeston	640	–2
Canon	1,550	
Casio Comp	1,430	+30
Chugai Pharm	1,030	–10
Citizen	665	+10
Daiei	675	+5
Dai Nippon Ptg	977	–3
Daiwa House	530	–5
Ebara	359	–1
Eisai	1,390	+10
Fanuc	10,960	
Fuji Bank	654	+15
Fuji Film	2,050	
Fujisawa	889	–21
Fujitsu	1,290	–20
Green Cross	1,580	–10
Hasedawa	440	–8
Heiwa Real Est	622	+2
Hitachi	810	–16
Hitachi Credit	1,590	+20
Honda	1,080	–10
House Food	636	–3
Hoya	1,450	–20
Itoh (C)	328	+11
Ito-Yokado	2,150	+40
Iwatsu	1,990	–50
JACCS	355	–5
JAL	3,350	+10
Jusco	859	+9
Kajima	325	+2
Kao Soap	709	–1
Kashiyama	725	
Kirin	561	+6
Kokuyo	958	–4
Komatsu	511	–7

SOUTH AFRICA

Jan. 16	Price Rand	+ or –
Abercom	3	+0.05
AE CI	8.7	–0.1
Anglo Am Coal	34	–0.25
Anglo Am Corp	19.95	–0.3
Anglo Am Gold	129.5	–1
Barclays Bank	19	
Barlow Rand	13.6	–0.2
Buffels	59.5	–3.1
CNA Gallo	2.7	
Currie Finance	4.85	
De Beers	9.85	–0.05
Driefontein	37.35	–0.85
FS Geduld	41	–2
Gold FieldsS.A.	24.25	
Highveld Steel	6.5	–0.05
Nedbank	16	+0.2
OK Bazaars	20.5	–0.5
Protea Hldgs	3.40	
Rembrant	23.5	–0.5
Rennies	14	+0.15
Rustenburg	13.1	
Sage Hldgs	7.25	
SA Brews	7.45	–0.2
Smith (C.G)	24.5	
Tongaat Huletts	11.75	–0.25
Unisec	5.7	

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. $ Dealings suspended. xd Ex dividend. xs Ex scrip issue. xr Ex rights. xa Ex all.

Indices

NEW YORK-DOW JONES

	Jan 16	Jan 13	Jan 12	Jan 11	Jan 10	Jan 9	1983-84 High	1983-84 Low	Since Compilat'n High	Since Compilat'n Low
Industrials	1287.59	1278.1	1279.31	1277.32	1278.48	1286.22	1286.64 (9/1)	1252.74 (3/1)	1287.2 (29/11/83)	41.22 (2/7/32)
Transport	608.54	602.96	605.84	609.56	608.17	612.63	612.63 (9/1)	593.84 (3/1)	612.63 (9/1/84)	12.23 (8/7/32)
Utilities	130.35	134.3	134.01	133.82	133.82	133.77	134.83 (6/1)	131.26 (3/1)	163.32 (20/4/69)	10.05 (28/4/42)
Trading vol 1000's†	9434	1800	-	-	9560	7198	-	-	-	-

	Jan 6	Dec 23	Dec 9	(Year Ago Approx)
Ind div yield %	4.23	4.51	4.47	5.03

STANDARD AND POORS

	Jan 16	Jan 13	Jan 12	Jan 11	Jan 10	Jan 9	1983-84 High	1983-84 Low	Since Compilat'n High	Since Compilat'n Low
Industrials	188.46	187.94	188.96	189.12	189.2	190.33	190.64 (6/1)	185.81 (3/1)	193.22 (22/8/83)	3.52 (30/6/32)
Composite	167.18	167.02	167.75	167.79	167.96	168.9	168.28 (6/1)	164.84 (3/1)	170.99 (22/8/83)	4.4 (1/6/32)

	Jan 11	Jan 4	Dec 28	Year Ago (Approx)
Ind div yield %	3.68	3.70	3.72	4.35
Ind. P/E Ratio	13.74	13.64	13.57	11.30
Long Gov Bond Yield	11.66	11.74	11.76	10.41

N.Y.S.E. ALL COMMON

Jan 16	Jan 13	Jan 12	Jan 11	1983-84 High	1983-84 Low
-	-	-	-	442.62 (6/5)	79.79 (24/1)

RISES AND FALLS

	Jan 16	Jan 13	Jan 12
Issues traded	2039	2018	1997
Rises	712	735	878
Falls	890	894	709
Unchanged	437	389	427

MONTREAL

	Jan 16	Jan 13	Jan 12	Jan 11	1983-84 High	1983-84 Low
Industrials	445.19	448.22	447.52	448.22	451.46 (6/1)	443.05 (3/1)
Combined	429.15	438.14	431.6	432.15	433.87 (6/1)	426.45 (3/1)
TORONTO Composite	2562.9	2565.4	2577.1	2580.1	2585.7 (6/1)	2551.5 (3/1)

U.S. INDICES: CLOSING VALUES. YESTERDAY'S CANADIAN INDICES: LATEST AVAILABLE

	Jan. 16	Jan. 13	Jan. 12	Jan. 11	1983/84 High	1983/84 Low
AUSTRALIA All Ord. (1/1/80)	769.9	775.0	778.2	778.2	787.9 (9/1/84)	487.8 (4/1/83)
Metals & Minls. (1/1/80)	536.2	541.1	545.1	546.5	616.2 (5/9)	411.8 (4/1/83)
AUSTRIA Credit Aktien (2/1/62)	55.35	55.15	56.30	55.40	58.8 (5/5)	48.46 (15/2)
BELGIUM Belgian SE (31/12/63)	142.04	141.02	140.29	139.62	142.04 (16/1/84)	100.50 (4/1/83)
DENMARK Copenhagen SE (3/1/83)	221.35	221.8	219.98	216.64	228.54 (10/1/84)	100.00 (3/1/83)
FRANCE CAC General (31/12/82)	167.6	167.3	166.8	165.5	167.6 (16/1/84)	96.1 (5/1/83)
Ind Tendance (30/12/83)	108.3	108.6	108.9	108.0	108.6 (13/1/84)	99.4 (5/1/84)
GERMANY FAZ-Aktien (31/12/58)	351.62	353.32	355.15	354.94	359.96 (9/1/84)	241.89 (25/1/83)
Commerzbank (1/12/53)	1040.3	1043.8	1050.8	1049.5	1065.4 (6/1/84)	727.9 (25/1/83)
HONG KONG Hang Seng Bank (31/7/64)	975.17	875.47	878.58	884.47	1102.64 (21/7)	690.05 (4/10)
ITALY Banca Comm Ital. (1972)	218.04	212.34	207.94	204.03	218.04 (16/1/84)	160.45 (10/1/83)
JAPAN** Nikkei-Dow (16/5/49)	(c)	10150.8	10184.1	10072.5	10150.9 (13/1/84)	7805.18 (20/1/83)
Tokyo SE New (4/1/68)	(c)	762.24	757.44	752.66	782.24 (13/1/84)	574.51 (25/1/83)
NETHERLANDS ANP-CBS General (1970)	164.2	164.2	163.6	161.9	167.1 (5/1/84)	109.1 (4/1/83)
ANP-CBS Indust (1970)	137.4	136.6	134.5	136.8	138.5 (5/1/84)	85.5 (4/1/83)
NORWAY Oslo SE (4/1/83)	234.98	233.6	231.86	230.69	234.98 (16/1/84)	89.01 (4/1/83)
SINGAPORE Straits Times (1966)	1042.56	1065.21	1040.61	1037.08	1042.56 (16/1/84)	712.88 (5/1/83)
SOUTH AFRICA Gold (1958)	808.4	827.4	830.2	824.3	1099.6 (1/6)	481.4 (1/11)
Industrial (1958)	985.9	992.4	986.7	989.1	1008.4 (9/1/84)	704.8 (5/1/83)
SPAIN Madrid SE (30/12/83)	(c)	106.24	105.59	104.46	106.24 (13/1/84)	100.00 (30/12/83)
SWEDEN Jacobson & P. (1/1/58)	1526.43	1526.5	1530.25	1513.65	1530.25 (12/1/84)	896.10 (3/1/83)
SWITZERLAND SwissBankCpn. (31/12/58)	381.4	386.0	384.5	381.5	388.7 (5/1/84)	294.4 (4/1/83)
WORLD Capital Intl. (1/1/70)	-	186.8	186.1	186.9	187.1 (6/1/84)	154.3 (5/1/83)

**Saturday January 7: Japan Nikkei-Dow 9,982.4. TSE 743.17.

Base values of all indices are 100 except Australia All Ordinary and Metals—500 NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 industrials. § 400 industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

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هكذا من الأصل

LONDON STOCK EXCHANGE

MARKET REPORT

Further institutional and speculative support takes equities to all-time peaks

Account Dealing Dates

*First Dealings	Option Declarations	Last Dealings	Account Day
Dec 30	Jan 12	Jan 13	Jan 23
Jan 16	Jan 26	Jan 27	Feb 6
Jan 30	Feb 9	Feb 10	Feb 20

* "New-time" dealings may take place from 9.30 am two business days earlier.

The boom in London equity markets continued in remarkable fashion yesterday. After Friday's record turnover, when over 285m shares were traded, leading industrials began cautiously reflecting similar tendencies in New York and other international markets. But, the start of a new fortnightly trading Account here brought aggressive speculative interest and, more importantly, a resurgance of support from UK investment institutions.

Investors' confidence was obviously boosted by a clutch of favourable views on world economic trends and by borking analysts' recommendations for a host of UK manufacturing shares. These influences annulled the adverse effects on sentiment of the OECD warning about lack of scope for lower U.S. interest rates and a report that the expansion in UK public spending was ahead of official estimates.

The concentration of institutional funds on selected blue chips, among which **BAT Industries** was a forerunner, meant that other recent favourites such as ICI and Glaxo were neglected. In other issues, turnover was restricted by stock shortages which led to disproportionate gains in prices. Engineering and ancillary issues claimed most welcome attention folowing "buy" advice from a UK broking house.

However, the big attraction and most actively traded stock on the day was **Strong and Fisher**. Particularly buoyant recently on persistent rumours of a pending **Polly Peck** deal, the shares plunged initially following a weekend Press "sell" recommendation. But early confirmation that Asil Nadir's private company **Restro Investment** had acquired 1.6m shares at 70p each, representing around 25 per cent of the enlarged Strong and Fisher equity capital, triggered sustained support. From an opening low of 165p, the price soared to 275p before closing a net 37 up at 230p.

Charting the trend of leading equities, the FT Industrial Ordinary share index quickly regained a 10 am loss of 2.1 and advanced consistently to close 5.6 up at the day's highest and a best-ever 813.7. Index consistuent **London Brick** rose 8 to 146p in reply to Hanson Trust's increased offer, announced well after last Friday's official close.

Life Insurances good

Government stocks attempted to extend Friday's upturn but the movement soon faltered. The market probably suffered a backlash from equities, while investors were contemplating latest official funding via a £1bn issue of Convertible stock, announced after 3.30 pm last Friday, and the implications of increased UK public spending. At the close, the short recorded fractional improvements and the longs were slightly mixed.

Continuing to reflect the sector's record business figures for last year, and additionally helped by further comment on the benefits of MIRAS, Life Insurances moved up sharply. Stock shortages accentuated closing gains, among which **Britannic** were outstanding with a rise of 39 to 525p. **Pearl** put on 20 to 850p as did **Refuge** to 436p, while **Equity and Law** appreciated 13 to 785p and **London and Manchester** 12 to 488p. Takeover speculation continued in Composites where **Phoenix**, a further 9 up at 467p, were again popular on talk of a bid from Allianz.

The early announcement that Britannia Arrow had sold its 18.3 per cent stake in **Minster Assets** followed by later news that the Kuwaiti Investment Office had acquired a near 19 per cent holding kept speculators busy in M.A. and the shares, after touching 127p, closed a net 6 up on the day at 122p. Elsewhere in the banking sector, Hire Purchase company **Southern Business Leasing** rose 6 to 11p on the annual results. Clearing Banks reacted on profit-tafiing with **Lloyds** closing 12 down at 543p and **Barclays** 7 off at 518p.

Stockley Developments formed to acquire Property concern Trust Securities, staged an active market debut yesterday; the shares opened at 60p and improved steadily in a good turnover to close at 66p. Elsewhere in recent Equities, **V.G. Instruments** found more support and rose 18 to 174p.

A relatively bullish circular from brokers De Zoete and Bevan prompted a firmer tone among Breweries. Dealers, however, were again disappointed at the level of trade and gains were generally restricted to a couple of pence. **Arthur Guinness** hardened the turn to 127p awaiting today's preliminary results, which are estimated to reveal pre-tax profits of around £57m. Press comment reiterating the company's takeover vulnerability lifted **Scottish and Newcastle** 2 more to 113p. **Distillers** eased a few pence to 255p following a "sell" recommendation.

Strong rejection of Hanson Trust's increased bid, worth 145p per share cash, helped **London Brick** to make progress in Buildings and the shares closed a further 8 up at a new high of 146p; the Office of Fair Trading's report is due to be published tomorrow and the current view is that the bid will not be refered to the Monopolies Commission. Elsewhere, **Taylor Woodrow** advanced 22 to 665p in the wake of Press suggestions of a major management shake-up. **SGB** dipped to 144p initially on news of lower annual profits, but rallied well to close a net 3 better on balance at 150p following consideration of the encouraging remarks about current year prospects. **Blue Circle** put on 5 to 440p, while housebuilders **Barratt Developments** added 6 more at 188p. Still awaiting news of the bid approach, **Leyland Paints** firmed 3 more to 23½p. **Johnstones Paints** advanced 5 to 90p, while **Derek Crouch** put on 6 to 80p and **Vibroplant** 10 to 133p.

Stores improve afresh

A cautiously optimistic CBI survey of the distributive trades stimulated increase support of leading Stores. **Burton** stood out with a gain of 10 at 464p, while **House of Fraser**, belatedly helped by reports of record New Year sales at its Harods flagship, closed 6 to the good at 250p. **Habitat Mothercare**, the subject of weekend Press comment, improved 6 to 278p and the 9½ per cent Convertible 5 points to £191. **Woolworth** responded to renewed interest in a limited market and finished 16 up at 358p.

In contrast to recent sessions, secondary issues failed to capture investors imagination and generally moved within narrow limits. Jewellers **James Walker** provided an exception, however, rising 5 to 89p with the non-voting a like amount better at 69p. **Excalibur** added a couple of pence at 15p. **Foster Bros.**, in receipt of a Press mention, hardened 4 to 124p, after 126p, but **MFI**, interim results due today, eased a few pence to 159p. Up to 105p in initial response to last Friday's after-hours' news of Mr Harvey Michael Ross's near 30 per cent stake, **Sumrie Clothes** failed to attract follow-through interest and drifted back to the opening level of 100p.

Aside from Strong and Fisher, the Shoes and Leather sector also featured a reasonably lively turnover in **Stylo** which, still excited by Harris Queensway's 5.1 per cent stake, touched a new 1983-84 high of 320p before settling a net 8 up at 313p.

Racal, down 3 more at 204p, after 200p, remained a subdued market awaiting the interim figures. **BICC**, in contrast, encountered demand and put on 10 to 285p, while **GEC** edged up 4 to 198p. Elsewhere in the Electrical sector, **Cray Electronics** advanced to 168p following the increased annual dividend and profits before settling only a couple of pence dearer on balance at 160p. Weekend coment lifted **Mnemos** 8 to 52p and **Munford and White** 5 to 230p. **BSR**, up 10 at 220p, continued to make progress.

Engineers put on another good performance with interest enlivened by a broker's circular on the sector. **GKN** featured among the leaders, rising 10 to 192p, while **AE** advanced 6½ to 78p in sympathy. Renewed support lifted **Jones and Shipman** 8 to 54p and **B. Elliott** 4 to 49p. **TACE** rose 10 to 167p and **Westland** 7 to 178p. **Bullough**, up 26 at 273p, reflected buying in a limited market. Weekend Press comment stimulated demand for **Frederick Cooper**, up 4 at 36p, and **Cronite**, 1½ to the good at 21p. **Birmid Qualcast** improved 2½ to 53½p on the proposed acquisition of Webb Lawnmowers from Wolseley-Hughes.

RHM stood out in Foods, rising 6 to 90p in response to an investment recommendation. Demand ahead of tomorrow's preliminary results took **Tate and Lyle** up to 415p before a close of a few pence dearer on balance at 413p. Elsewhere, **Pyke** firmed 5 to 172pxd following increased second-half profits and the chairman's optimistic views on current trading.

Rowton highlighted Hotels and Caterers, jumping 20 to 193p following persistent speculative demand in a thin market. **Ladbroke** put in a late spurt to end 10 up at 223p in belated response to the group's tender offer for Arizona-based Turf Paradise.

BOC improve

Several leading miscellaneous industrials ended the day with a slightly easier bias, but **BOC**, up 4 at 297p, resisted the trend following the chief executive's forecast of substantial increased profits in 1984. Elsewhere, **Harvey Thompson**, up 17 at 100p, and **Thomas French**, 20 higher at 270p, featured following weekend Press comment. **Restmor** responded to good interim results with a rise of 10 to 160p, while **Evode** hardened a couple of pence to 115p after preliminary figures. Renewed demand in a market none too well supplied with stock left **Christies International** up 19 further at 336p. Down hsarply last Friday on the Tele-Jector problems, **London and Liverpool** staged a modest rally and closed 3½ higher at 14½p. **Aero Needles** advanced 7 to 78p on news that William Prym-Werke has acquired a near 6.1 per cent stake in the company; Aero is currently in receipt of a 60p per share cash bid from Newall Companies Inc. of the U.S. **Booker McConnell**, the subject recently of persistent U.S. bid speculation, were again briskly traded and moved between 106p and 114p before settling 6 down on balance at 109p. **Polly Peck** were quoted at 290p xd, up 12, after the subdivision of the shares from 5p to ½p nominal value.

Aggressive buying ahead of tomorrow's annual figures left **Anglia TV 'A'** 10 higher at 168p and week-end Press comment on the video leasing deal with Whitbread's off-licences helped **Intervision** rise 3 to 24p. **Medminster** slumped 12 to 8p following a Press 'sell' recommendation, while a combination of fading bid hopes and nervousness awaiting today's preliminary statement clipped 4 from **Trident TV 'A'**, at 128p.

Contrasting movements among Motor Distributors were provided by **Hartwells**, which advanced 7 to 100p following a newspaper mention, and **Lex Service**, down that much at 368p on sporadic profit-taking. Fresh speculative demand in the wake of Mintinex's 9 per cent holding lifted **Reliant** 4 more to 36p, after 38. Among Components, **Automotive Products**, which recently announced a deal with Fiat for the supply of clutch assemblies and drum brakes, improved 5 more to 51p.

Among Publishers, **Fleet Holdings** responded to late support and closed 5½ up at 147½p on revived hopes about the proposed flotation of Reuters. Elsewhere, **John Waddington**, up 23 at 333p, responded to renewed speculative demand.

Interest in Properties was confined to selected secondary issues. Estate Agents **Bairstow Eves** jumped 8 to 82p on the acquisition of Buckinghamshire/Northamptonshire-based Taylors Group, while **Regalian** rose 4 to 92p mirroring dockland development hopes.

Last Friday's suspension of trading in Bellair, which prompted a welter of weekend coment on its recent spectacular advance, elicited a sympathetic reaction in **Harold Ingram**. The latter, following a newspaper "sell" recommendation, slumped to 250p before rallying to close a net 45 lower at 313p.

Tobaccos featured **Bats**, which attracted U.S. support and advanced 11 to 198p; the demand was encouraged by the group's overseas earnings potential in the wake of a lower sterling exchange rate.

Lasmo advance

A firm Oils sector was highlighted by heavy speculative buying of **LASMO** which surged ahead 301p prior to closing a net 20 higher at 297p following rumours of a substantial oil flow from the appraisal well currently being tested on the Tiffany structure: the late reaction followed reports that testing of the well has not been completed. **IC Gas** attracted strong support and advanced 15 to 268p, after 275p, while **BP** moved up 7 to 402p on news that the company has commenced drilling of its second exploration well in the South China Sea. **Britoil** hardened 2 to 205p but **Shell** were neglected and drifted back to close 5 cheaper at 590p. Among the onshore explorers **Carless Capel** edged up 5 to 202p.

Mining markets began the week and the new Account on a depressed note following another relatively quite day in precious metals and a further disappointing performance by base-metals.

Last week's favourite **De Beers** encountered heavy profit-taking and retreated 25 to 555p while recent London-based high-fliers **Charter Consolidated** gave up 5 to 257p. **Rio-Tinto-Zinc**, the subject of favourable Press comment, rose to 667p before easing to close a net 3 higher at 663p, while the downturn in South African Golds and weak copper prices combined to unsettle **Consolidated Gold Fields** which fell 7 to 513p.

South African Golds opened on a steady note but attracted persistent and sometimes heavy selling from Johannesburg, which prompted widespread losses throughout the sector in mid-morning.

Thereafter, the market rallied owing to good support from the Continent but the absence of any further demand from New York and a general lack of interest left the majority of issues with overall losses by the close. The Gold Mines index dipped 5.8 to 542.8—a loss of 11.8 over the past two trading days. Bullion closed $4.5 off at $367.125.

The trend in Golds prompted light selling of South African Financials although "**Johnnies**" held steady at £78 following the increased profits and dividend.

Australians sustained another setback as overnight Sydney and Melbourne reacted unfavourably to Wall Street's decline last Friday and another generally poor performance by precious and base-metal markets. The leaders were particularly vulnerable with **Western Mining** finally 13 off at 255p, **Peko-Wallsend** 12 down at 354p and **CRA** 9 cheaper at 367p.

Enthusiasm for Traded Options declined slightly from last Friday's particularly buoyant level, although total contracts, at a still impressive 3,937, were well in excess of last week's daily average of 3,227. As in the previous session, business was well distributed. **Courtaulds** and **Imperial Group** attracted 419 and 427 calls respectively while 307 were struck in GEC. Equity support of **GKN** was reflected in the calls which attracted 258 trades with the March 200s rising 3 to 6½p. **Racal** recorded a useful two-way trade in front of today's half-timer with 127 calls and 179 puts struck. **Lasmo** were also in demand with 314 calls and 191 puts transacted on hopes of a substantial uprating of the North Sea Tiffany structure; the February 300 calls closed 7 better at 13p.

FINANCIAL TIMES STOCK INDICES

	Jan. 16	Jan. 13	Jan. 12	Jan. 11	Jan. 10	Jan. 9	year ago
Government Secs ...	83.33	83.33	83.00	82.98	83.68	83.77	74.49
Fixed Interest	87.15	87.22	87.04	87.07	87.22	87.23	80.66
Industrial Ord.	813.7	808.1	796.0	790.0	796.8	800.0	619.8
Gold Mines	542.8	548.6	554.6	546.6	542.5	529.5	660.4
Ord. Div. Yield	4.38	4.40	4.45	4.49	4.46	4.45	4.81
Earnings, Yld.% (full)	9.14	9.00	9.09	9.19	9.12	9.09	10.26
P/E Ratio (net) (*)	13.37	13.54	13.41	13.27	13.36	13.41	11.72
Total bargains	31,027	37,200	25,569	24,030	28,591	28,034	26,660
Equity turnover £m.	—	531.76	286.72	330.70	289.25	312.60	222.06
Equity bargains	—	28,059	22,042	25,019	26,276	31,266	24,168
Shares traded (ml)	—	285.5	175.7	207.7	183.8	196.2	166.8

10 am 806.0. 11 am 809.7. Noon 811.2. 1 pm 813.2. 2 pm 813.4. 3 pm 813.2

Basis 100 Govt. Secs. 8/1/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/1/58. SE Activity 1974.

Latest Index 01-246 8026.

*Nil = 12.58.

HIGHS AND LOWS

	1983/84 High	1983/84 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs	83.77 (9/1/84)	77.00 (24/1/83)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	87.23 (9/1/84)	79.03 (1/2/83)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	813.7 (16/1/84)	598.4 (12/1/83)	813.7 (16/1/84)	49.4 (26/6/40)
Gold Mines	734.7 (15/2/83)	444.6 (1/11/83)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Jan. 13	Jan. 12
—Daily		
Gilt Edged Bargains	208.6	173.0
Equities Bargains	181.8	142.8
Value	1074.8	579.6
5-day Avrge		
Gilt-Edged Bargains	186.3	179.8
Equities Bargains	171.9	166.3
Value	707.8	643.9

NEW HIGHS AND LOWS FOR 1983/84

NEW HIGHS (212)

BRITISH FUNDS (3)
INT. BANK & O'SEAS GOVT. STLG. ISSUES (2)
CORPORATION LOANS (2)
LOANS (1)
FOREIGN BONDS (1)
AMERICANS (4)
CANADIANS (2)
BANKS (6)
BREWERS (2)
BUILDINGS (7)
CHEMICALS (4)
STORES (12)
ELECTRICALS (12)
ENGINEERING (18)
FOODS (4)
HOTELS (2)
INDUSTRIALS (42)
INSURANCE (8)
LEISURE (4)
MOTORS (4)
NEWSPAPERS (3)
PAPER (2)
PROPERTY (6)
SHOES (3)
TEXTILES (4)
TOBACCOS (1)
TRUSTS (45)
OILS (3)
PLANTATIONS (3)
MINES (2)

NEW LOWS (5)

PROPERTY (1)
Phoenix Prop. & Fin.
SHIPPING (1)
Lyle Shipping
MINES (3)
Meekatharra Minerals Black Hill Mins. Samson Exploration

RECENT ISSUES

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1983/84 High	1983/84 Low	Stock	Closing price	+ or −	Net Div.	Times Covered	Gross Yield	P.E. Ratio
33	F.P.	21/12	34	28	✠Brewmaker 1p	31	+1	—	—	—	16.7
¶455	F.P.	10/2	466	393	Brit. Petroleum	407	+7	20.25	1.9	7.1	11.3
¶275	100	8/3	117	96	Cable & Wireless 50p	117	+2	h5.47	3.6	6.7	5.1
¶75	F.P.	20/1	78	68	Datserv Inc. 5c	78	....	bQ1.5	5.1	1.3	15.3
‖ ‖	F.P.	—	255	225	✠Gibbs Mew	225	....	t4.65	1.6	3.0	28.4
95	F.P.	31/1	96	90	Henara 10p	91	+1	b2.8	2.6	4.4	12.4
§137	F.P.	6/1	148	138	✠High-Point Serv. 10p	142	−1	u3.0	3.4	3.0	11.3
§85	F.P.	18/1	87	85	✠J'hnsn&Jorg'nsn10p	85	..	b3.15	2.1	5.3	11.7
§159	F.P.	10/1	183	168	✠Kenyon Securities	180	−3	b9.38	1.7	7.4	11.1
¶150	F.P.	—	155	136	Ldn. & Edin'gh Tst. 10p	152		b5.25	2.5	4.9	9.6
§40	F.P.	20/1	41	37	✠MME facilities 10p	38	..	b0.7	5.3	2.6	12.9
§96	F.P.	16/1	101	93	✠Mebon 10p	100	+5	b3.4	2.0	4.9	14.0
§195	F.P.	25/1	240	215	✠Moray F. Malt'gs 50p	235		b7.0	2.7	4.4	9.2
§33	F.P.	—	42½	34	Palma Group	40	+½	ud2.0	0.8	7.1	27.4
§140	F.P.	20/1	163	146	✠Pericom 10p	158	..	u1.7	4.9	1.5	16.2
¶ ¶	F.P.	—	66	60	StockleyDevel'mts10p	66	.....				
100	F.P.	27/1	95	85	✠Syntorials 10p	90	−5	—	—	—	—
§155	F.P.	—	145	135	✠TyneTeesTVAN/V£1	145	+3	8.25	2.4	8.1	7.4
¶130	F.P.	17/2	174	131	VG Instruments 10p	174	+18	b1.4	5.6	1.2	22.3
§10	F.P.	—	17½	16	✠Welpac 10p	17½		bg0.2	4.1	1.6	18.9

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1983/84 High	1983/84 Low	Stock	Closing price £	+ or −
• •	F.P.	—	128	122	Allied Textile 10% Cnv. Uns. Ln. 1993	125	..
‖	F.P.	6/1	124	110	Arlen Elect. 11½% Cnv. Ln. 1990	115	+3
99	F.P.	16/2	99½	98½	Colne Valley Water 6% Red. Prf. '90.	99	
¶ ¶	F.P.	9/2	133	115	Crystalate 8½% Cnv. Ln. 2003.	127	+1
99.15	£25	22/3	25¾	24¾	Elf (U.K.) 12¼% Uns. Ln. '91.	25½	
—	F.P.	7/1	110	100	External Inv. 8% Cnv. Ln. 2003-08.	110	
99.714	£30	26/4	33⅛	30	Int. Bk. for Rec. & Dev. 11.5% Ln. 2003	33¼	+⅛
97.266	£25	23/1	30⅞	25	Ireland 12½% 2008	30⅞	+¼
100	F.P.	—	100½	99	Kensington & Chelsea 11.15% Red. 2006	100½	..
‖	£30	10/11	47	30½	Lon. Shop Prop. 9pc Cnv. 94 99 Ser II.	46	..
§95.711	£25	—	25	24½	MEPC 10¼pc 1st. Mort. Deb. 2024	25	..
§100	£10	1/3	13	10½	Mid Kent Wtr. 12pc. Red Deb. 1993	13	
—	F.P.	—	100⅞	100	Nationwide 10½% Bds. 24.12.84	100⅛	−⅛
¶ ¶	F.P.	—	30p	28½p	Palma Group 5½%Cum. Prf. £1.	30p	..
99.44	£25	13/4	27¾	25¼	Queens Moat 12% 1st Mort. Deb. 2013	27¼	
99.693	£30	21/3	31	29¾	Spain 12% Ln. 1988.	30⅞	−⅛

"RIGHTS" OFFERS

Issue price	Amount paid up	Latest Renunc. date	1983/84 High	1983/84 Low	Stock	Closing price	+ or −
345	F.P.	— 6/1	450	340	✠Air Call	445	.....
300	Nil	— —	120pm	108pm	Carlton Communications 5p	110pm	+5
92	Nil	— 10/2	46pm	21pm	Charterhouse Pet.	46pm	+4
160	Nil	— —	38pm	36pm	Ellis & Everard	38pm	....
32	Nil	— 24/2	7pm	3pm	Herman Smith 10p	7pm	
300	F.P.	— 2/2	390	333	McCarthy & Stone 20p	390	...
30	Nil	— 9/3	28pm	22pm	Meggitt 5p	22pm	....

Renunciation date usually last day for dealing free of stamp duty. *b* Figures based on prospectus estimates. *d* Dividend rate paid or payable on part of capital; cover based on dividend on full capital. *g* Assumed dividend and yield. *u* Forecast dividend cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1984. H Dividend and yield based on prospectus or other official estimates for 1983-84. Q Gross. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. ⊕ Figures or report awaited. § Placing price. *p* Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ● Provisional or partly-paid allotment letters. ■ Allotment letters (or fully-paid). ★ With warrants. ‖‖ Introduction. □ Issued to former preference holders. ✝ Effective issued price after scrip. † Formerly dealt in under special rule. ✠ Unlisted Securities Market. C Canadian.

FRIDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Fri. close	Day's change
Strong & Fisher	70	193	+33
Lon & Liv Tst	54	11	−13
Phoenix Assur	33	458	+11
Stylo	32	305	+32
Thorn EMI	28	652	−25
Inter-City Invs	25	46½	+6½
RTZ	23	660	+26
Glaxo	21	800	+5
Hawley	21	99	+7
Mnemos	21	44	+9
Booker McCnll	19	115	+16
Brit Aerospace	19	246	+12
London Brick	19	138	+5
Trident TV A	19	132	−1

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
AE	78xd	+6½
Booker McConnell	109	−6
Britannic Assurance	525	+39
De Beers Defd	555	−25
I. C. Gas	268	+15
Ingram (H.)	313	−45
LASMO	297	+20
Minster Assets	122	+6
Mnemos	52	+8
RHM	90	+6
SGB	150	+3
Strong & Fisher	230	+37

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Jan 9	Jan 20	April 2	April 16
Jan 23	Feb 3	April 26	May 8
Feb 6	Feb 17	May 10	May 21

For rate indications see end of Share Information Service

Call options were taken out in Rank Organisation, UKO, Brunswick Oil, Mnemos, Bula, Inter-City, Gestetner A, Tozer Kemsley and Millbourn, Bowater, London and Liverpool, Jackson Exploration, International Petroleum, G. M. Firth, SCUSA, Dowty, BTR, RHM, Combined Technologies, AE, Raybeck, Weeks Petroleum, Beecham, BOC, Lasmo, Phoenix Assurance, Armour Trust, DJ Security Alarms, Bristol Oil and Minerals, Bridon, Hong Kong Land and Stockley Developments. Puts were done in UKO and Saxon Oil. A double was recorded in Bowater.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	43	11	49
Corpns. Dom. and Foreign Bonds	29	3	47
Industrials	441	181	781
Financial and Props.	144	77	300
Oils	36	28	55
Plantations	4	8	8
Mines	27	65	77
Others	33	88	56
Totals	757	462	1,373

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Mon Jan 16 1984 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Fri Jan 13 Index No.	Thur Jan 12 Index No.	Wed Jan 11 Index No.	Tues Jan 10 Index No.	Year ago (approx) Index No.
[illegible]										

FIXED INTEREST

PRICE INDICES	Mon Jan 16	Day's change %	Fri Jan 13	xd adj. today	xd adj. 1984 to date
[illegible]					

AVERAGE GROSS REDEMPTION YIELDS	Mon Jan 16	Fri Jan 13	Year ago (approx)
[illegible]			

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

EUROPEAN OPTIONS EXCHANGE

Series		Feb. Vol.	Feb. Last	May Vol.	May Last	Aug. Vol.	Aug. Last	Stock
[illegible]								

TOTAL VOLUME IN CONTRACTS: 20,610

A=Ask B=Bid C=Call P=Put

LONDON TRADED OPTIONS

Option		Calls Jan.	Calls Apr.	Calls July	Puts Jan.	Puts Apr.	Puts July
B.P. (*400)	360	42	—	—	1	—	—
	390	14	28	38	3	18	22
	420	2½	16	26	24	38	42
	460	1	7	12	63	72	77
Cons. Gold (*512)	460	55	75	90	1	12	16
	500	22	50	60	12	30	37
	550	1½	30	38	45	55	62
	600	1	14	—	98	97	—
	650	1	4	—	142	142	—
[illegible]							

Option		Calls Feb.	Calls May	Calls Aug.	Puts Feb.	Puts May	Puts Aug.
LASMO (*298)	240	63	73	78	2	6	10
	260	48	58	63	4	10	18
	280	33	49	55	12	20	26
	300	15	32	35	23	28	35
	330	5	13	—	40	43	—
	360	3	6	—	—	—	—
	390	2	3	—	—	—	—
Lonrho (*116)	90	28	28	30	0½	1	1
	100	18	19	21	0½	2	3
	110	8½	11	14	3	5½	6½
[illegible]							

Jan. 16. Total Contracts 3,937. Calls 3,156. Puts 809.

* Underlying security price

CHALLENGE

That's BTR

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1983-84 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
101¼	99½	Exch. 11¼pc 1984	100½xd	+1/16	11.22	8.85
104⅜	100	Exchequer 14pc 1984	101½	.....	13.79	9.36
97	92½	Exch. 3pc 1984	97	+1/16	3.07	8.64
102	100	Treasury 12pc 1984	101	.....	11.82	9.48
107	104	Treasury 15pc 1985	105¾xd	+⅛	14.23	9.77
107	101	Exch. 12pc Cnv. '85	102	.....	11.72	9.72
94	83⅝	Treasury 3pc 1985	94	+1/16	3.19	7.62
102½	99¼	Treasury 11½pc 1985	102	+1/16	11.25	9.90
102	95	Treas 8¼pc Cnv '85	98¼	+1/16	8.86	9.56
105¼	100⅛	Exch. 12¼pc 1985	103	+1/16	11.87	10.24
102⅞	99	Exch. 11¼pc '86	102⅛	+1/16	11.48	10.41
102¼	97¼	Treas 10pc Cnv 1986	101	+⅛	9.82	9.05
89	85⅛	Treasury 3pc 1986	89	+1/16	3.36	8.17
101	97	Exch. 10½pc Cv '86	100	+⅛	10.40	10.02
103	100	Treasury 12pc '86	102⅞	+1/16	11.66	10.58
98¼	94⅛	Treasury 8¼pc '84-86‡‡	98¼	+1/16	8.65	9.31
114	103¼	Treas. 12¼pc '86 Cnv.	110½	+½	11.09	8.94
109	105	Exch. 14pc 1986	107	+⅛	13.00	10.68
85	84½	Exch 2½pc 1986 ●	85	+1/16	2.92	8.25
107¼	103⅝	Exch. 13½pc 1987	106¼xd	+1/16	12.46	10.71
100	95⅞	Treas 10½pc Cnv '87	99xd	+⅛	10.28	10.38
84	80¼	Exchequer 2½pc 1987	84	+1/16	2.97	8.38
100	95⅞	Exch. 10½pc 1987	99	+⅛	10.55	10.63
95¼	88⅛	Funding 6½pc '85-87‡‡	91¼	+⅛	7.08	9.47
98	96	Treas 10pc 1987	98	+1/16	10.26	10.66
86	80¼	Treasury 3pc 1987	83½	.....	3.59	8.57

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Building Societies

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS, H.P. AND LEASING

Hire Purchase, Leasing, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

DRAPERY AND STORES

DRAPERY—Continued

ELECTRICALS

ENGINEERING

ENGINEERING—Continued

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

1983-84 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
48	32½	MCD Group	48	+1	±1.0	2.2	3.0	21.9
		for MMT Computing see Electricals						
29	16	M.Y. Dart. 10p	24	−1	20.25	—	1.5	—
212	134	M'c'rthy Ph. 20p	140	−2	7.0	2.7	7.1	6.6
148	120	Macfarlane Gp.	136	.....	†3.52	2.1	3.7	26.6
46	33	Maclellan 20p	37	.....	d1.5	1.6	5.8	13.3
63	31	Macpherson (D.)	48½	−1	4.2	0.6	12.4	(38.6)
56	41	Magnolia Group	53	.....	2.3	3.2	6.2	6.2
72	62	Mallinson Hldgs. 10p	63	.....	—	—	—	67.2
180	65	Man. Ship Can. £1	162	−3	3.5	6.8	3.2	4.9
81	48	Marley	89	−1	†2.5	0.5	4.5	(70.0)
47	30½	Marling Ind. 10p	40	.....	†1.08	1.7	3.9	(18.0)
34	25	Marshall L'sy. 'A'	34	.....	‡1.2	—	♦	—
70	44	Marshall's Univ	66	.....	8—	—	—	130.2
32½	23	Martin-Black	30	.....	—	—	—	—
£130	£83	Mathesons 7¼%	£96	.....	Q7¼%	2.3	8.4	—
316	154	Metal Box £1	316	+2	†11.55	3.2	5.2	(7.8)
136	104	Metal Closures	136	.....	5.7	1.8	6.0	(12.8)
36½	14	Metal Sections 20p	25	.....	—	—	—	—
19	6	Metalrax Jewellers	18½	.....	0.01	—	0.1	—
50	3	Mettoy	7#	.....	—	—	—	—
147	70	Midland Inds. Grp.	118	.....	4.0	2.1	4.8	14.1
56	21	Molben Grp 1p	27	.....	†0.19	15.4	1.0	6.7
£271	£150	M'santo 5pc 82-6	£247	−4	Q5%	—	†2.0	—
136	76	Morgan Crucible	135	+2	†7.5	0.6	7.9	(65.0)
90	54	Moss (Robt.) 10p	84	.....	†2.0	2.4	3.4	15.5
245	155	MMW Computers	200	.....	4.0	4.0	2.9	12.4
67	42½	Nash Inds.	60xd	+2½	4.0	♦	9.5	♦
38	11	Neill&Sp'ncer 10p	38	+2	—	—	—	—
64	48	New Equip 10p	51	.....	1.15	6.8	3.2	6.5
73	20	Nolton	47½	−2½	1.0	2.9	3.0	14.7
157	117	Norcros	154½	.....	b7.0	2.3	6.5	9.3
89	46	Nu-Swift 5p	65#	.....	2.14	1.5	4.7	20.9
140	93	Oakwood Grp.	100	.....	d6.5	2.1	9.3	7.3
325	185	Office & Elect.	198	.....	7.5	2.8	5.6	8.9
[illegible]								

INSURANCE

[illegible]

LEISURE

[illegible]

LEISURE—Continued

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc.

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Continued

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

Central African

[illegible]

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MINES—continued

Australians

1983-84 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
28½	13½	♥ACM 20c	18	.....	—	—	—
52	30	Allstate Expln NL	30	.....	—	—	—
10½	3¼	♥Asia Oil & Mins.	4½	.....	—	—	—
40	9	♥Australis Mng. NL	21	−1	—	—	—
25	11	Balmoral Resources	15¾	.....	—	—	—
60	30	♥Black Hill Mins	30	−1	—	—	—
99	51	♥Bond Corp.	99	+3	Q10c	0.7	6.9
183	116	♥Bougainville 1 Kina	158	−3	m03.21	1.2	1.3
396	204	♥CRA 50c	367	−9	†Q3c	—	0.5
145	60	♥Carr Boyd 20c	70	+2	—	—	—
44	25	♥Central Kalgoorlie	38	.....	—	—	—
43	18	♥Central Pacific	22	.....	—	—	—
9	2¼	♥Cons Gold Mng Areas	3¾	.....	—	—	—
[illegible]							

Tins

[illegible]

Miscellaneous

[illegible]

NOTES

[illegible]

REGIONAL AND IRISH STOCKS

[illegible]

IRISH

[illegible]

OPTIONS

3-month Call Rates

[illegible]

"Recent Issues" and "Rights" Page 27

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £700 per annum for each security

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

INSURANCES

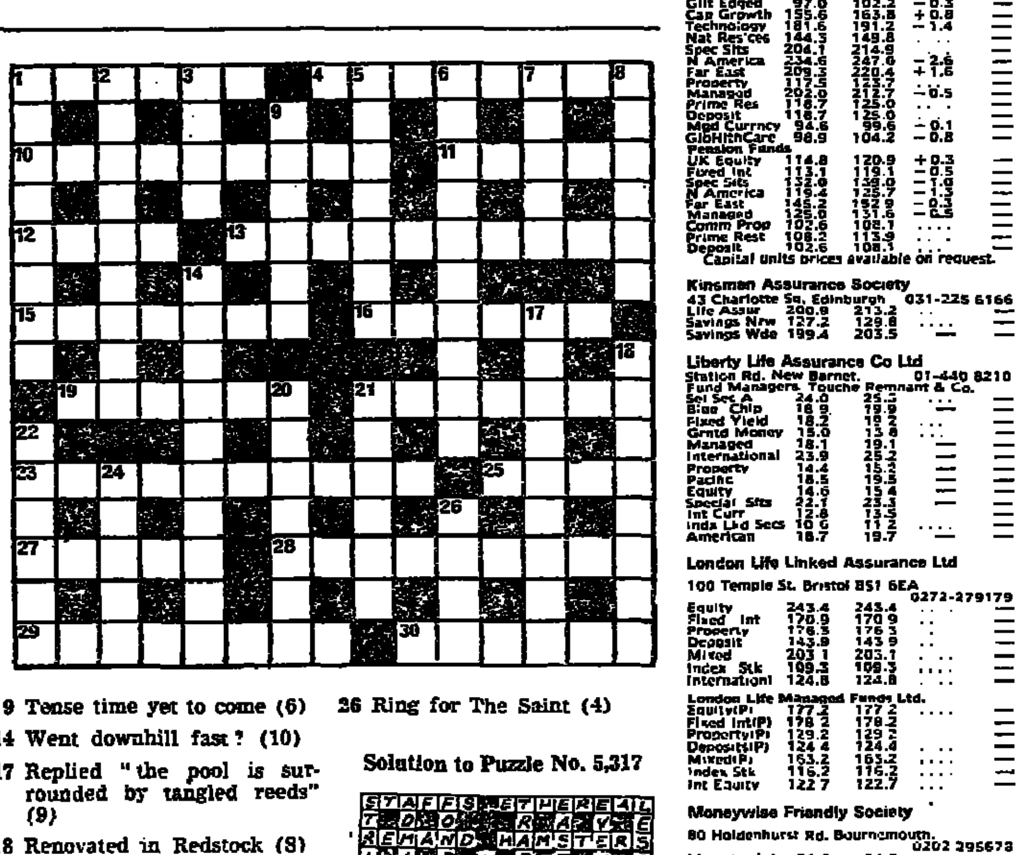
Insurances—continued

Offshore & Overseas—continued

Money Market Trust Funds

Money Market Bank Accounts

F.T. CROSSWORD PUZZLE No. 5,318



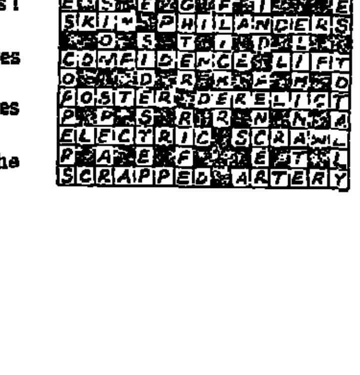
ACROSS

1 Correct cure (6)
4 Carries the family busby (8)
10 Stone someone? (9)
11 Made a low noise (5)
12 Doctor gets work after a fall (4)
13 Turned his men into a boat, which is rough treatment (10)
15 New name on one plant (7)
16 Got car out to get a baby-walker (2-4)
19 Carve something outstanding? (6)
21 Instrument made by Civil Engineer with forged steel (7)
23 What the drunk is doing is amazing! (10)
25 The price of lettuce last night (4)
27 Taken in by a consumer (5)
28 Philip and Elizabeth flirt (9)
29 Is in the show "Garden of Eden" (8)
30 Turf covering the road I find dirty (6)

DOWN

1 Remaining rise is about double (8)
2 A stiff container (9)
3 News of an illegal drug (4)
5 Time to get flat in Gateshead (7)
6 Shaky sheep hobble (10)
7 Reckon on losing a hundred changing foreign money (5)
8 It means there's nothing been going on! (6)
9 Tense time yet to come (6)
14 Went downhill fast? (10)
17 Replied "the pool is surrounded by tangled reeds" (9)
18 Renovated in Redstock (8)
20 Around June 4, takes off one's clothes and streaks! (7)
21 Frank finds the detectives and goes in (6)
22 Slumbering snake takes refuge inside (6)
24 Out of bed, look round the street (5)
26 Ring for The Saint (4)

Solution to Puzzle No. 5,317



هكذا من الأصل

INSURANCE & OVERSEAS MANAGED FUNDS

OFFSHORE AND OVERSEAS

WestAvon Secs (Guernsey) Ltd
PO Box 214, St Peter Port, Guernsey 0481 27768

Gilt & Option Fd	£1.15	1.20xd	.....	2.50
US $ Option	$1.05	1.10	.....	—

World Wide Growth Management◊
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd	$12.92		.....	—

Inv. Adv.: M. & G. Inv. Mngt., Ltd., London.

Wren Commodity Management Ltd.
10, St. George's St., Douglas IoM 0624 25015

Wren Com. Fund	21.9	22.8	.....	—
Chinese Fund	65.3	68.8	.....	—
Precious Metal Fund	115.7	120.5	.....	—
Vanguard Cmdy. Fd.	34.6	35.5	.....	—
Financial Futures Fd.	63.1	65.7	.....	—
Wren Ind. Fnd.*	$0.663	0.691	.....	—

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. Z Previous day's price. ¶ Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. § Yield column shows annualised rate of NAV increase.

COMMODITIES AND AGRICULTURE

Copper heads general decline in metal prices

BY JOHN EDWARDS, COMMODITIES EDITOR

COPPER lead a general decline in prices on the London Metal Exchange yesterday. The three months higher grade quotation closed £18 down at £980.25 a tonne, and fell further to £973 in late kerb dealings when the New York market opened easier. The cash price closed £18.75 lower at £954.5.

The market was depressed by predictions of a slowdown in the U.S. economy, a rise in warehouse stocks and technical chart selling by speculators once £990, was breached.

The rise in LME warehouse stocks of copper was resumed last week, after the brief decline the week before. The increase of 2,725 tonnes lifts total holdings to a five-year peak of 435,975 tonnes.

U.S. producer, Asarco, added to the gloom by cutting its domestic selling prices for copper by 0.50 to 65 cents a pound and lead by 2 cents to 23 cents. The company later increased its lead price back up again by 1 cent to 24 cents.

Nevertheless, the cash price of lead on the LME lost £10.25 to £273 a tonne, in spite of warehouse stocks declining by 2,125 to 174,450 tonnes.

A sharp fall in warehouse stocks of zinc, down by 13,650 tonnes reducing total holdings to 81,950 tonnes, failed to halt a slide in LME values. The cash price closed £10.25 down at £668.25 a tonne, exactly the same level as the three months quotation.

Both lead and zinc were depressed by news that Asarco had reached a tentative agreement on new labour contracts with its lead and zinc workers, including a provision to re-open its Corpus Christi, Texas, zinc refinery in return for wage concessions.

Aluminium prices lost ground, with stocks rising for the first time in many weeks by 2,250 to 225,650 tonnes. Nickel stocks were also up by 570 to a new peak of 28,506 tonnes and LME silver holdings increased by 250,000 to 46,334,000 ounces. Tin stocks, however, fell by 770 to 41,525 tonnes.

Wong Sulong writes from Kuala Lumpur: Mining ministers of the newly formed Association of Tin Producing Countries (ATPC) came out with a strong attack on Singapore for encouraging tin smuggling.

The ministers, meeting in Kuala Lumpur over the weekend also expressed regret over the London Metal Exchange's refusal to de-register two brands — Kimetal and Wattan —offered by Singapore smelters.

The ATPC claims that most of the tin offered by Singapore *originates from dubious sources*, and in many cases, is smuggled in from neighbouring countries in contravention of export controls.

The ATPC also expressed regret that Brazil and Britain had actually increased their exports when ITC producers had to limit normal exports by 39 per cent.

Meanwhile, Dr Mahathir, the Malaysian Prime Minister, is to meet President Reagan and senior U.S. officials in Washington tomorrow, to seek U.S. agreement to suspend stockpile tin sales until prices are firmer.

EEC gluten feed imports doubled

By Ivo Dawnay in Brussels

IMPORTS of maize (corn) gluten feed by the EEC have doubled to 3.4m tonnes in the two years between 1981 and 1983, according to the latest figures released by the European Commission.

Of a total 2.84m tonnes imported in 1982, more than 2.7m were supplied by the U.S., earning American producers $473m (£333m).

The figures come in a memorandum from the Commission to the Council of Ministers, seeking authorisation to enter talks with the U.S. on stabilising imports through the General Agreement on Tariffs and Trade.

The attempt to renegotiate on Gluten feeds has already been dismissed by Mr John Block, *the U.S. Agriculture Secretary*, as both unfair and "ridiculous."

Though the U.S. is duty bound to enter the new talks, Mr Block has rejected any revision of arrangements as protectionist. The Community should not expect third countries to try to solve its internal farm problems, he said.

The Commission argues, however, that restraint is clearly in the interests of third countries who wish to see a reform of the Common Agricultural Policy and a better balance on world markets.

The use of cereal substitutes has resulted in a sharp reduction in EEC imports of feed grain, down from 16.6m tonnes in 1974 to 7.9m tonnes in 1982, the Commission says.

In the same period substitute imports are up from 6.2m tonnes to 17.6m tonnes.

The Commission is also seeking to suspend the tariff concession on imports of brewing and distilling residues and maize germ oil cakes.

Portugal breaks monopoly on sugar purchase and distribution

BY DIANA SMITH IN LISBON

THE Portuguese Government has broken the state monopoly in sugar purchase and distribution and is preparing to break the monopoly of vegetable oil and oilseed purchase and distribution.

Portugal imports about 300,000 tonnes of sugar a year, with about 240,000 tonnes coming from Lome Convention countries. Until now the Directorate-General of Sugar and Alcohol (ASA) has been both broker and distributor.

According to a recent decree-law instigated by the trade ministry, AGA's monopoly will be disbanded and sugar trading and distribution handed over to three companies in the private sector: Rar, Sidul (in which Tate and Lyle has interests) and Sores.

This year, 40 per cent of sugar purchases will be handed over to the three companies. In 1985 the figure will rise to 60 per cent and in 1986 80 per cent. In 1987, by which time Portugal should have acceded to the EEC, sugar trading will be 100 per cent liberalised.

Portugal's EEC accession will mean altering the 1.3m tonne preferential sugar purchases *from Lome Convention countries*.

Breakup of the monopoly of IAPO (Instituto de Acquisicao de Productos Oleaginosos), the state vegetable oil and oilseed monopoly created in 1975 when centralised state trading prevailed is more complex.

Portugal imports $500m (£352m) of vegetable oils and oilseeds annually: IAPO controls purchase and distribution to margarine, soap, animal feed and other manufacturers who buy at a controlled price whatever the fluctuations of international markets.

This has proved expensive for the state in price subsidies and bureaucracy — but some manufacturers, who have clamoured for years for liberalisation now protest because dispersal of IAPO's powers will compel them to pay realistic market prices and also to deal directly on foreign markets.

The Government has appointed a commission to study future alternatives to IAPO—manufacturer pools or new trading companies or use of IAPO but without exclusive rights, as broker but not distributor.

When it recently released 10 per cent of Portugal's $1bn *grain imports* to tender by non-state brokers or buyers, ending the import monopoly of EPAC (Empresa Pubica de Acquisicao de Cereais) the state grain monopoly, the Soares Government also liberalised the domestic grain market, adapting it to standard EEC rules.

Starting with this year's first grain harvest in June, farmers will be able to sell grain direct to mills or other outlets rather than compulsorily to EPAC. The EEC three-tiered price system—intervention price, reference price and threshhold price (for imported grain)—will then operate.

● Talks aimed at clearing the way for a full negotiating conference in March on a new International Sugar Agreement, this time with the EEC as a member, began in London yesterday. Hopes were not high that sufficient progress could be made on individual countries' *stockholding* commitments. The approach of the current talks, which could continue until January 27, was thought to have been a factor in last week's sugar price rally but yesterday the May position on the London futures market slipped back £4.50 to end at £145.50 a tonne, the lowest level for eight months.

Upward trend for tea halted

By Our Commodities Staff

TEA prices eased yesterday at the London weekly auctions, with quality tea falling to 365p a kilo from 375p at the previous auction.

Demand was still strong but the sharp upward trend which followed the Indian Government's decision to ban exports of CTC (cut tear and curl) tea seems to have been halted.

Prices for medium quality tea rose by 2p a kilo to 332p while low medium quality prices rose to 270p from 250p. Traders expect the overall average to settle at about 314p in the next few weeks.

● PRODUCTION at the Dubai aluminium company last year increased by 1.6 per cent over 1982 to reach 151,170 tons.

● THE EEC and the Government have given £15,000 for a purification plant to safeguard the future of mussel catching at Boston, Lincolnshire.

● THE EEC Commission plans to lower the reference price for minimum quality bread-making wheat for the 1984-85 marketing year to narrow the gap between it and the intervention price for feed wheat.

● THE DUTCH Government imposed a one-month ban on the sale of some varieties of imported prawns after six people died of dysentry.

● AUSTRALIA'S International *Wool* Secretariat has established a directorate of international marketing to identify new market opportunities for wool.

● BAUXITE output in Jamaica fell last year to 7.7m tonnes, 7 per cent below 1982 output. Although output was at its *lowest* for 20 years, earnings are expected to be about $230m (£162m).

Soyabean meal values fall

BY RICHARD MOONEY

A SHARP rise in the U.S. soyabean crop estimate sent soyabean meal prices tumbling on the London futures market yesterday. Following Chicago's lead, the April position on the London futures market ended £9.75 down at £166.90 a tonne.

The fall was due to the U.S. Agriculture Department's Friday evening announcement that it had lifted the country's crop projection by 3.7 per cent to 1.59bn bushels. It explained that the new figure included crops expected from 800,000 acres of plantings which had been left out of earlier estimates.

Selling may also have been encouraged by an increase in the Department's assessment for the Brazilian crop to 15.6m tonnes, from 15.3m a month ago.

However, this rise only lifts the estimate into the lower end of the 15.5m to 15.9m tonnes range forecast by the Brazilian Ministry of Agriculture's

● Malaysian palm oil futures closed the permissible limit down on profit-taking and renewed selling in reduced trad- February position dropped to 2,085 ringgit per tonne from Friday's close of 2,210 ringgit.

CLA petitions Chancellor

By Richard Mooney

BUDGET CHANGES to encourage land owners to let to tenant farmers have been urged by the Country Landowners' *Association* (CLA) in a letter to the Chancellor.

The letter, from Mr Peter Giffard, the CLA president, tells Mr Nigel Lawson that changes in tenancy succession rules to be made this year in an effort to boost letting may be effective only if fiscal disadvantages suffered by landlords compared with owner-occupiers are removed.

Matthews promotes beef

BY JOHN EDWARDS

TURKEY producers Bernard *Matthews* is making a determined effort to move into the red meat market. The company yesterday launched a big advertising campaign to promote its beef roast—a product aimed at presenting beef in a different manner.

Mr Bernard Matthews noted that red meat sales, especially beef joints, had declined sharply in the past few years.

Nevertheless, he felt that a new approach could help "revolutionise" the market. The Beef Roast, modelled on the Turkey Roast, weighs around 1.25 lbs, and is priced at £2.19 per lb.

Mr Matthews commented: "You don't need a university degree in beef anatomy before you buy it." It is a reliable product, with a controlled amount of fat and no bones, and easy to cook.

Indian jute workers strike

WORK WAS halted at India's 72 jute mills yesterday, when 240,000 workers went on indefinite strike. Both internal and export demand is at its highest at present.

The mills have about a month's supply of finished jute goods in stock.

● In Dhaka, the International Jute Organisation (IJO) ended *its five-day meeting with a* pledge to fight back against the challenge from synthetics.

PRICE CHANGES

In tonnes unless stated otherwise	Jan. 16 1984	+ or —	Month ago
Metals			
Aluminium	£1100	....	£1050
Free Mkt	$1640/670	....	$1640/670
Copper			
Cash h grade	£954.5	—18.75	£969.5
3 mths	£980.25	—18	£995.75
Cash Cathode	£940.5	—21	£953
3 mths	£964.5	—20	£978
Gold troy oz	$367.125	—4.5	$375.125
Lead Cash	£273	—10.25	£275.75
3 mths	£282.25	—10.5	£285.75
Nickel	£4945	....	£4648.54
Free Mkt	208/228c	....	206/225c
Palladium oz	$159.50	+1.50	$156.25
Platinum oz	£264.15	—3.40	£269.40
Quicksilver†	$305/310	....	$305/315
Silver troy oz	571.40p	—5.85	609.10p
3 mths	584.35p	—5.40	623.10p
Tin cash	£8592.5	—45	£8649
3 month	£8741.5	—49	£8809
Tungsten	$73.43	....	$76.08
Wolfr'm 22.04 lb	$72/76	....	$69/73
Zinc Cash	£668.25	—10.25	£606.5
3 mths	£668.25	—11.25	£621.375
Producers	$980	....	$950

	Jan. 16 1984	+ or —	Month ago
Oils			
Coconut (Phil)	$1070y	—15	$1070
Goundnut	‡	....	$860
Linseed Crude	‡	....	‡
Palm Malayan	$875w	—15	$730
Seeds			
Copra Phil	$720v	....	$695
Soyabean (U.S.)	$316y	....	$315
Grains			
Barley Fut. Mar	£121.85	—0.65	£123.60
Maize	£148.00	....	£148.00
Wheat Fut. Mar	£120.15	—0.85	£123.50
No 2 Hard Wint	‡	....	‡
Other commodities			
Cocoa ship't*	£1981	—15	£1948
Fut. May	£1810.5	—15.5	£1887
Coffee Ft. Mar	£2029.5	—6	£1997.5
Cotton A.Index	87.55c	....	89.25c
Gas Oil . Feb	$251.75	+3	$242
Rubber (kilo)	85p	—0.5	83p
Sugar (Raw)	£124yz	—8.5	£135
Woolt'ps 64s	‡	....	423pkilo

‡ Unquoted. w Feb. z March. v Feb-March. y Jan-Feb. † Per 75 lb flask. * Ghana cocoa. n Nominal. c Cent per pound.

LONDON OIL

Gas oil opened about $1.00 higher and steadied to reflect firm physical prices. The highs were reached on the U.S. opening but quickly dropped back $1.00 settling into a narrow range for the rest of the afternoon.

Crude oil also steadied in more active volume than of late, reports Premier Man.

Turnover: 3,229 lots of 100 tonnes.

SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	28.50-28.65	—
Iranian Light	27.80-27.90	+0.1
Arab Heavy	26.30-26.40	+0.08
North Sea (Forties)	29.10-29.15	+0.05
North Sea (Brent)	29.05-29.20	+0.05
African BonnyLi'ht	29.05-29.60	—0.08
PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline	264-270	+0.5
Gas Oil	249-256	+1.5
Heavy fuel oil	174-178	—0.5

CRUDE OIL FUTURES

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per brl		
Feb	29.15	+0.40	—
Mar	29.15	+0.33	29.20-28.90
Apr	29.16	+0.37	29.15-29.10
May	29.00	+0.37	29.00-28.95
June	28.85	+0.35	—
July	28.85	+0.38	—

Turnover: 135 (6) lots of 1,000 barrels.

GAS OIL FUTURES

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
Jan	252.50	+3.50	253.00-250.2
Feb	251.75	+3.00	252.50-249.5
Mar	247.75	+1.75	248.50-247.0
April	242.75	+1.50	244.00-242.2
May	238.50	+1.50	238.75-238.0
June	237.75	+1.75	237.75
July	238.25	+0.50	238.25
Aug	239.50	....	—
Sept	239.00	—3.25	—

GOLD MARKETS

Gold fell $4½ an ounce from Friday's close in the London bullion market yesterday to finish at $366¾-367¼. The metal opened at $372¼-373 and traded between a high of $372¼-373, its opening level, and a low of $366½ - 367. Trading was influenced principally by the dollar's performance with a recovery from early lows tending to undermine gold.

In Frankfurt the 12½ kilo bar was fixed at DM 33,475 per kilo ($371.00 per ounce) against DM 33,775 ($370.76) and closed at $369-369½ from $373-373½.

In Luxembourg the dollar per ounce equivalent of the 12½ kilo bar was $371.45 from $371.50.

In Zurich gold finished at $369-369½ from $373¼-373¾.

LONDON FUTURES

Month	Yest'day's close	+ or —	Business Done
	$ per troy ounce		
Jan	368.50-69.50	—3.50	—
Feb	370.50-70.90	—3.90	375.50-69.10
April	376.00-76.50	—3.75	378.50-76.30
June	381.50-83.00	—3.75	382.00
Aug	388.50-89.30	—4.35	—
Sept	394.00-95.90	—5.25	—

Turnover: 586 (434) lots of 100 troy ounces.

	Jan. 16		Jan. 13	
Gold Bullion (fine ounce)				
Close	$366¾-367½	(£258-258½)	$371¼-372	(£263½-264)
Opening	$372¼-373	(£263½-264)	$370¾-371⅛	(£265-265½)
Morning fixing	$370.25	(£262.589)	$370	(£264.097)
Afternoon fixing	$369.10	(£260.296)	$373.25	(£264.472)

Gold and Platinum Coins Jan. 16

Krugrnd	$379-380	(£266¾-267½)	King Sov	$91-92½	(£64-65)
½ Krg	$196¾-197½	(£138½-139)	Victoria Sov	$91-92½	(£64-65)
¼ Krg	$100-100¾	(£70½-71)	French 20s	$73¼-75	(£51½-52¾)
1/10 Krug	$40½-41¼	(£28½-29)	50 pesos Mex	$456½-458½	(£321¼-322¾)
Mapleleaf	$378¾-379½	(£265¾-267¼)	100 Cor. Aust	$361-365	(£254¼-256¾)
New Sov	$86½-87¼	(£60¼-61½)	$20 Eagles	$525-535	(£369½-376¾)
½ New Sov	$51¾-52½	(£36½-37)	Noble (Plat)	$386½-390½	(£271¾-274¾)

EUROPEAN MARKETS

ROTTERDAM, Jan 16.

Wheat—(U.S. $ per tonne): U.S. two red winter Feb 162.50, Mar 163, April 163.50. U.S. two northern spring 14 per cent protein Jan 15/Feb 15 193.50, Feb 193.50, Mar 193.50, April/May 179, June 179, July 179. U.S. three amber durum Jan 206, Feb 206, Mar 210, April/May 192, June 191, July 192, Aug 191.50, Sept 188. Canadian western spring April/May 208, June 208.

Maize—(U.S. $ per tonne): U.S. three yellow afloat 160.50, Jan 157.50, Feb 158, Mar 153.50, April 153.50 sellers. Argentine Plate spot 178, Feb 168, April 169, April/June 158 sellers.

Soyabeans—(U.S.$ per tonne): U.S. Two Yellow Gulfports Jan 311.50, Feb 311.25, March 312.50, April 314, Oct 282.25, Nov 281.50, Dec 286, Jan 290 sellers.

Soyameal—(U.S. $ per tonne): 44 per cent afloat 233, Jan 230, Feb 232, Mar 234, April/Sept 233, Nov/Mar 227 sellers. Pellets Brazil Jan 261.50, Feb 293.50, Mar 257, April 252, April/Sept 246 sellers, Pellets Argentina afloat 247, Jan 249, Feb 250, May/Sept 243, May/Oct 240 sellers.

PARIS, Jan 16

Cocoa — (FFr per 100 kg): March 2212-2214, May 2212-2220, July 2200 bid, Sept 2205-2218, Dec 2190 bid, March 2195 bid, May 2200 bid.

Sugar—(FFr per tonne): March 1845-1846, May 1900-1905, Aug 2015-2020, Oct 2075-2090, Dec 2145-2165, March 2260-2270.

BRITISH COMMODITY PRICES

BASE METALS

Base-Metal prices fell sharply on the London Metal Exchange. Zinc opened on a steady around £681.5 but fell away to a day's low of £663 following a much smaller than expected stocks decline and the weakness in other metals. Copper dropped below an important chart point at £990 which triggered heavy stop-loss selling and lowered the price to £974 by the close of the late kerb. The general weakness in metals coupled with short selling *left Aluminium at £1123.25 while* currency considerations and a lowering of support levels depressed Tin to £8735.

COPPER

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £955, three months £982, 80, 80.5, 8100, 82, 82.5, 84, 83.5, 83, 82.5, 82, 81, 80.5. Cathodes: Cash £941, 43. *Kerb: Higher Grade: Three months £981*, 82, 81.5, 82, 82.5. Afternoon: Higher Grade: Three months £984, 82, 81.5, 81, 80.5, 80. Kerb: Higher Grade: Three months £978, 78.50, 78, 77, 76.50, 77, 76, 75, 74, 73. Turnover: 55,725 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	954.5-5.5	—20.2	954.5	—18.7
3 months	980.5-1	—19	980-.5	—18
Settlem't	955.5	—20	—	—
Cathodes				
Cash	942.5-3	—18.2	940-1	—21
3 months	965-6	—19.5	964-5	—20
Settlem't	943	—19	—	—
U.S. pro'd	—	—	*65-68	......

NICKEL

£3345, 46, 50, 45, 50, 55. Kerb: Three months £3350. Turnover: 810 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Uuofficial	+ or —†
Spot	3275-8	—49	3272-3	—37.5
4 months	3366-60	—51.5	3350-5	—28

* Cents per pound. ‡ M$ per kilo. † On the previous unofficial close.

SILVER

Silver was fixed 5.85p an ounce lower for spot delivery in the London bullion market yesterday at 571.40p. U.S. cent equivalents of the fixing levels were: spot 805.7c, down 3.3c; three-month 824.9c, down 2.8c; six-month 845.5c, down 3.8c; and 12-month 890c, down 4.9c. The metal opened at 579-582p (818-822c) and closed at 568½-571½p (808-812c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	571.40p	—5.85	567.5p	—11.8
3 months	584.35p	—5.40	580.25p	—12
6 months	598.35p	—6.00	—	......
12months	627.65p	—6.75	—	......

LME — Silver (2,000 oz contract — Three months 580.5p (591.75p). Turnover: nil (same).

Turnover: 195 (165) lots of 10,000 ozs.

Morning: Large cash 576.5; three months 586, 87, 88, 89. Kerb: large months 589, 89.5, 90, 91. Afternoon: large three months 587, 86.5, 86, 86.5, 87, 80, 79.5, 80, 80.5. Kerb: large three months 580, 79, 79, 79.

GRAINS (continued)

125.50, April-June 126.50 East Coast sellers. Maize: French 2nd half Jan 148.00, 1st half Feb 148.60 East Coast sellers. Barley: English feed fob Jan 126.00, Feb 127.00 East Coast sellers. Rest unquoted.

Old crop wheat and barley dropped sharply with forwards coming under pressure from weak physical trade. Profit-taking lifted values a little towards close. New crops came under further selling pressure, reports Muirpace.

POTATOES

Follow-through buying hit isolated stop-loss levels and prices rose to £197.00 basis April at the opening before slipping back to unchanged by mid-day. Fresh selling and profit-taking after the recent steep rise put pressure on prices before they recovered a little on book-squaring at the close, reports Caley and Harper.

Month	Yesterdy's close	Previous close	Business Done
	£ per tonne		
Feb	152.80	161.80	165.00-151.0
April	185.00	192.00	197.00-183.0
May	195.50	205.00	207.00-195.0
Nov	76.00	76.00	—
Feb	86.00	85.80	—

Sales: 1,620 (1,683) lots of 40 tonnes.

RUBBER

The London physical market opened about unchanged, attracted little interest throughout the day and closed on an easier note, reports Lewis and Peat. The Kuala Lumpur February fob price for RSS No. 1 was 265.5 (266.5) cents a kg and SMR 20 225.5

COTTON

LIVERPOOL — Spot and shipment sales amounted to 610 tonnes. Business was far more extensive than of late and purchases ranged over numerous qualities. Operations were centred on African and Middle Eastern qualities.

TEA AUCTIONS

LONDON TEA AUCTION — 31,734 packages were on offer, including 3,419 *in the offshore section*. A *strong* demand prevailed but with the emphasis on price. After a hesitant start Asams came to a firm market with plainer varieties and Dooars teas often 5-10p dearer, but by the close prices were tending easier. Bangladesh sorts sold well and selected coloury lines put on 15-30p. Bright and good medium East Africans met less demand than of late and lost 5-15p, but plainer CTCs were a strong feature and often *showed substantial gains*. Offshore teas were an irregular market at generally easier rates. Quotations: quality 365p a kg (375p), medium 332p a kg (330p), low medium 270p a kg (250p).

WOOL FUTURES

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. Jan 408, 411, 408; March 417, 421, 421-419; May 433, 435, 434-433; Aug 451, 453, 451-450; Oct 453, 455, 452-450; Dec 454, 456, 455-453; Jan 545, 457, nil; March 466, 468, 468; May 470, 474, nil. Sales: 54.

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. March 573.0, 574.0, 574.0-573.0; May 588.5, 592.0, untraded; July 603.0, 605.0, 604.0-603.0; Oct 587.0, 591.0, untraded; Dec 601.0, 604.0, 605.0; March 613.0, 615.0, untraded, May 620.0, 630.0, untraded; July 630.0, 640.0, untraded. Sales: 11.

INDICES

FINANCIAL TIMES

Jan. 13	Jan. 12	M'th ago	Y'ar ago
295.57	296.06	293.88	248.78

(Base: July 1 1952=100)

REUTERS

Jan. 16	Jan. 13	M'th ago	Y'er ago
1971.6	1986.5	1971.8	1624.9

AMERICAN MARKETS

NEW YORK, January 16

Soyabeans and products opened limit-down and remained locked there for the entire day following a Government crop report release raising last year's output estimate by almost 2m tons, reports Heinold Commodities. The report was not quite as bearish for maize which finished near limit-down. Wheat prices sold off sharply but put on the strongest performance of all grains. Precious metals came under pressure as signs of an economic slowdown raised market anticipations of lower inflationary pressures ahead. Copper was under heavy pressure as traders feared that slower economic activity will do little to help dissipate heavy industry stocks. Aluminium was also on the defensive for the same reasons as copper with downside pressure intensified by a current *build-up in stocks*. *Sugar prices* declined on news that the Dominican selling tender put pressure on the spot market. Coffee prices were sharply lower after arbitrage buying was completely overshadowed by roaster selling as a result of a decline in roastings. Cocoa prices continued under pressure as West African marketings appear to have been understated and attracted steady commission house selling. Cotton prices *declined in sympathy with the grain* markets but found support at the daily lows and recovered partially from their biggest losses.

NEW YORK

COCOA 10 tonnes, $/tonnes

	Latest	High	Low	Prev
March	2370	2449	2363	2425
May	2350	2430	2335	2403
July	2340	2415	2335	2385
Sept	2325	2405	2325	2370
Dec	2348	2380	2348	2365
March	2390	—	—	2350

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
Jan	806.6	803.0	803.0	820.5
Feb	809.0	810.0	802.0	824.0
March	816.0	824.0	800.0	831.0
May	829.7	837.0	816.0	845.0
July	843.6	853.0	830.0	859.2
Sept	857.8	864.0	846.0	873.7
Dec	879.5	887.0	871.5	895.7
Jan	887.0	—	—	903.3
March	902.2	904.0	890.0	918.7
May	917.9	—	—	934.7

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar eases after early rise

The dollar failed to sustain an improvement from opening levels in currency markets yesterday. The dollar had fallen sharply over the weekend following the release of U.S. statistics, suggesting a slowdown in U.S. economic growth. U.S. retail sales and industrial production figures were considerably below market expectations while Friday's money supply showed both M2 and M3 growing within official target bands.

Some dealers were cautious however, preferring to wait for further evidence of an economic slowdown and pointing out that there was still likely to be some upward pressure on U.S. rates in view of the high U.S. budget deficit.

The dollar opened at DM 2.7910 against the D-mark but recovered to touch a best level of DM 2.81 before slipping back to finish at DM 2.7960, its lowest closing level for nearly two weeks. Against the Swiss franc it fell to SwFr 2.2190 from SwFr 2.2300 and Y233.25 from Y233.60. It was also lower against the French franc at FFr 8.5525 compared with FFr 8.6050. On Bank of England figures, the dollar's trade weighted index fell to 131.2 from 131.6.

STERLING — Trading range against the dollar in 1983-84 is 1.6245 to 1.3955. December average 1.4344. Trade weighted index 82.2 from 81.9 at noon and at the opening and compared with 82.1 on Friday and 84.4 six months ago.

The pound was firmer against the dollar and European currencies, helped by the dollar's weaker trend and also a rise of 2.05 per cent in UK retail sales to a record high. Against the dollar sterling closed at $1.4200-1.4210, a rise of 1.25c, after opening at $1.4100 and touching a low of $1.4060. Against the D-mark it rose to DM 3.9750 from DM 3.9625 and SwFr 3.1550 compared with SwFr 3.1425. It was also higher against the French franc at FFr 12.1425 from FFr 12.1150 and Y331.5 from Y329.

D-MARK — Trading range against the dollar in 1983-84 is 2.8425 to 2.3320. December average 2.7487. Trade weighted index 123.5 against 126.7 six months ago.

The dollar was fixed at DM 2.8078 at yesterday's fixing in Frankfurt. This was down from Friday's level of DM 2.8339 but up from an opening level of DM 2.7935. The Bundesbank sold $14.55m at the fixing. The dollar's firmer trend from opening levels reflected profit taking after Friday's sharp decline, with short covering seen at the lower levels. Sterling was lower at DM 3.9570 from DM 3.9680 but within the EMS, the French franc was little changed at DM 32.67 per FFr 100 from DM 32.70 while the Belgian franc slipped a little to DM 4.9 per BFr 100 from DM 4.9030.

FRENCH FRANC — Trading range against the dollar in 1983-84 is 8.6850 to 6.6060. December average 8.3779. Trade-weighted index 65.5 against 68.5 six months ago.

The French franc showed a small improvement against the dollar in Paris yesterday. The U.S. unit was fixed at FFr 8.5950 down from FFr 8.6680. Sterling was also lower at FFr 12.1170 from FFr 12.1350. Within the EMS the D-mark improved to FFr 3.0595 from FFr 3.0588 but the Dutch guilder was weaker at FFr 2.7225 from FFr 2.7227.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU January 16	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9008	46.1013	+2.67	+1.92	±1.5447
Danish Krone ...	8.14104	8.17563	+0.42	−0.33	±1.6425
German D-Mark	2.24184	2.25768	+0.71	−0.04	±1.0642
French Franc ...	6.87456	6.90866	+0.50	−0.25	±1.4062
Dutch Guilder ...	2.52595	2.53939	+0.53	−0.22	±1.4964
Irish Punt	0.72569	0.728725	+0.42	−0.33	±1.6699
Italian Lira	1403.49	1369.09	−2.45	−2.45	±4.1505

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

£ in New York (latest)

	Jan. 16	Previous
Spot	$1.4225-4235	$1.4120-4140
1 month	0.03-0.07 dis	0.05-0.07 dis
3 months	0.13-0.18 dis	0.15-0.17 dis
12 months	0.67-0.82 dis	0.79-0.86 dis

£ forward rates are quoted in U.S. cents discount.

THE POUND SPOT AND FORWARD

Jan 16	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.4060-1.4230	1.4200-1.4210	0.03-0.08c dis	−0.46	0.13-0.18dis	−0.44
Canada	1.7535-1.7705	1.7675-1.7685	0.05-0.15c dis	−0.68	0.18-0.28dis	−0.52
Nethlnd.	4.43¾-4.47¾	4.46½-4.47½	1½-1c pm	−3.36	3⅞-3¾ pm	−3.24
Belgium	80.50-81.15	81.00-81.10	2-12c dis	−1.04	28-33 dis	−1.51
Denmark	14.29½-14.38½	14.37-14.38	2¼-3¼ore dis	−2.40	6½-7¼ dis	−1.86
Ireland	1.2725-1.2825	1.2810-1.2820	0.28-0.35p dis	2.95	0.75-0.95dis	−2.58
W. Ger.	3.94½-3.98	3.97-3.98	1½-1pf pm	3.77	3½-3 pm	3.27
Portugal	190.50-193.00	191.80-192.30	130-305c dis	−10.47	440-865dis	−14.84
Spain	225.25-227.25	226.50-226.80	145-180c dis	−8.60	495-565 dis	−9.35
Italy	2,394-2,410	2,407-2,409	16½-18½lire dis	−8.72	46-48 dis	−7.81
Norway	11.07-11.16	11.14¾-11.15¾	3½-4½ore dis	−4.37	10½-10⅞ dis	−3.77
France	12.08-12.16	12.13½-12.14½	3-4c dis	−3.46	12-13½ dis	−4.20
Sweden	11.51-11.62	11.60½-11.61½	1⅞-2⅞ore dis	−2.33	6½-6 dis	−1.56
Japan	327.50-332.50	331.00-332.00	0.77-0.73y pm	2.71	2.05-1.95 pm	2.41
Austria	27.82-28.07	27.96-28.01	8⅞-7⅞gro pm	3.48	24½-19½ pm	3.12
Switz.	3.13-3.16½	3.15-3.16	2-1½c pm	6.66	4¾-4¼ pm	5.71

Belgian rate is for convertible francs. Financial franc 82.35-82.45. Six-month forward dollar 0.28-0.33c dis. 12-month 0.70-0.80c dis.

THE DOLLAR SPOT AND FORWARD

Jan 16	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4060-1.4230	1.4200-1.4210	0.03-0.08c dis	−0.46	0.13-0.18dis	−0.44
Ireland†	1.1030-1.1090	1.1065-1.1075	0.25-0.22c pm	2.54	0.62-0.54 pm	2.09
Canada	1.2445-1.2475	1.2445-1.2450	0.01-0.03c dis	−0.19	0.01-0.03dis	−0.06
Nethlnd.	3.1430-3.1580	3.1450-3.1470	1.03-0.93c pm	3.73	2.93-2.83 pm	3.65
Belgium	57.05-57.35	57.05-57.07	3-4c dis	−0.73	16-18 dis	−1.19
Denmark	10.12⅞-10.17⅜	10.12¾-10.12⅞	1.15-1.65ore dis	−1.65	1.25-1.75dis	−0.59
W. Ger.	2.7910-2.8100	2.7955-2.7965	1.00-0.95pf pm	4.19	2.57-2.52 pm	3.64
Portugal	135.10-136.30	135.10-135.60	90-210c dis	−13.23	300-680dis	−14.41
Spain	159.60-160.15	159.60-159.70	100-120c dis	−8.26	335-385 dis	−9.01
Italy	1,695-1,704½	1,695-1,696	11½-12½lire dis	−8.57	31-31½ dis	−7.39
Norway	7.8500-7.8750	7.8650-7.8600	2½-3ore dis	−4.20	6½-7 dis	−3.43
France	8.5400-8.6025	8.5500-8.5550	2.20-2.35c dis	−3.19	7.60-8.00dis	−3.65
Sweden	8.1700-8.1930	8.1750-8.1800	0.85-1.35ore dis	−1.61	2.85-3.35dis	−1.49
Japan	232.75-234.00	233.20-233.30	0.77-0.73y pm	3.86	2.03-1.98 pm	[illegible]
Austria	19.69-19.80	19.69-19.70	6.90-6.20gro pm	3.98	18-16 pm	3.45
Switz.	2.2150-2.2350	2.2185-2.2195	1.32-1.27c pm	6.99	3.36-3.31 pm	6.00

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

Belgian rate is for convertible francs. Financial franc 58.00-58.05.

OTHER CURRENCIES

Jan. 16	£	$		£ Note Rates
Argentina Peso...	34.82-35.05	24.67-24.81	Austria	27.75-28.05
Australia Dollar	1.5670-1.5700	1.1035-1.1050	Belgium	81.70-82.50
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

* Selling rates.

CURRENCY RATES

Jan. 16	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.735037	0.570349
U.S. $	8½	1.03552	0.80487
[illegible]	[illegible]	[illegible]	[illegible]

*CS/SDR rate for Jan 13: 1.28739.

CURRENCY MOVEMENTS

Jan. 16	Bank of England Index	Morgan Guaranty Changes%
[illegible]	[illegible]	[illegible]

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (base average 1975=100).

EXCHANGE CROSS RATES

Jan. 16	Pound St'rling	U.S. Dollar	Deutschem'k	JapaneseYen	FrenchFranc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

EURO-CURRENCY INTEREST RATES (Market closing rates)

Jan. 16	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Kroner
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Asian $ (closing rates in Singapore): Short-term 9⁷⁄₁₆-9⁹⁄₁₆ per cent; seven days 9½-9⅝ per cent; one month 9⁹⁄₁₆-9¹¹⁄₁₆ per cent; three months 9¹¹⁄₁₆-9¹³⁄₁₆ per cent; six months 9⅞-10 per cent; one year 10⁵⁄₁₆-10⁹⁄₁₆ per cent. Long-term Eurodollars two years 11-11⅛ per cent; three years 11⅛-11⅝ per cent; four years 11¾-12 per cent; five years 12-12⅛ per cent nominal closing rates. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

MONEY MARKETS

UK rates slightly easier

Interest rates were slightly easier in London yesterday. Three-month interbank money was quoted at 9⅝-9⅞ per cent compared with 9⅞-9⅞ per cent while three-month eligible bank bills were bid at 8⅞ per cent against 8⅞ per cent on Friday. The easier trend reflected a slight softening in Euro-dollar rates following Friday's economic statistics which suggested a slowdown in the U.S. economy. Sterling's improvement both against the dollar and European currencies also provided a favourable background.

Short-term rates were easier following an early forecast of a £300m surplus in the London money market. Overnight interbank money opened at 8¾-9 per cent and eased initially to around 8 per cent. The Bank later revised its forecast and rates moved back to 9 per cent. A low of 7 per cent was touched in the afternoon but late demand pushed rates up to a high of 9½ per cent with late balances taken at 7-8 per cent.

UK clearing banks' base lending rate 9 per cent (since October 4 and 5)

The Bank of England forecast a surplus of around £300m. Factors affecting the market included maturing assistance and a take up of Treasury bills, together draining £440m and bankers balances brought forward some £111m below target. These were more than offset by a fall in the note circulation of £287m and Exchequer transactions of £580m. The forecast was later revised to a surplus of around £100m but the Bank did not operate in the morning. There was no assistance in the afternoon but the Bank gave late help of about £50m.

In New York overnight Federal funds were quoted at 9⁷⁄₁₆ per cent little changed from Friday's closing level of 9⅜ per cent. There was no intervention by the Federal authorities to add or drain liquidity with the market still digesting Friday's economic statistics and the possibility of a slowdown in the U.S. economy.

In Frankfurt call money was quoted at 5.5-5.6 per cent unchanged from Friday. Period rates were slightly easier where changed in rather featureless trading. The dollar's recent decline helped to some extent to remove upward pressure on period rates.

MONEY RATES

Jan. 16	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	5.50-5.60	12⅝	1¼-2¼	5⅝-5¾	6.15625	17½-17⅞	8.15	11⅝-11⅞
One month	6.00-6.10	12¼-12⅜	3⅛-3⅜	5⅞-6	6.15625	17½-17⅞	10⅜-10⅝	12-12¼
Two months	6.00-6.10	12¼-12⅜	—	—	—	—	—	12-12¼
Three months	6.15-6.25	12¼-12⅜	3⅝-3¾	6⅛-6¼	6.21875	17¾-18⅛	10¾-11	12-12¼
Six months	6.30-6.50	12⅝-12½	—	6¼-6⅝	—	—	11-11⅛	12¼-12½
Lombard	5.5	—	—	—	—	—	—	—
Intervention	—	12	—	5⅛	—	—	—	—

LONDON MONEY RATES

Discount Houses Deposit and Bill Rates

Jan. 16 1984	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	7-9½	8-8½	8-9	7½-9	—	—	—	—	—
2 days notice	—	—	8⅝-8⅞	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 day notice	—	8⅝-9⅛	8⅞	9-9¼	8⅞	—	—	—	—	—
One month	9¼-9⅜	9⅛-9⅜	9⅛	9⅛-9½	9-9⅛	9	8⅞	9	8⅞	9⅝
Two months	9⅛-9¼	9¼-9⅜	9¼	9⅝	9-9⅛	8⅞	8⅞	8⅞	8⅞	9⅝
Three months	9⅝-9⅞	9⅝-9⅞	9⅜	9¾	9-9⅛	8⅞	8⅞-8⅞	8⅞	8⅞	9½
Six months	9⅞-9⅞	9⅞-9⅞	9⅝	—	—	—	—	9⅞	9	9⅞
Nine months	9⅝-9⅞	9¾-9⅞	9¾	—	—	—	—	—	—	—
One year	9⅞-9⅞	9⅞-10	9⅞	—	—	—	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Certs of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	9⅞-9⅝	—	9⅛	9.4-9.5	8⅞-8⅞	9⅛-9¼
Two months	9⅞-9⅝	—	9¼	9.45-9.55	8⅝-9	9¼-9⅜
Three months	9⅞-9⅝	—	9½	9.45-9.55	8⅞-9⅛	9⅛-9⅛
Six months	9⅝-9⅛	—	9⅞	9.65-9.75	9-9⅝	9½-9⅞
Nine months	10-9¾	—	9⅞	9.90-10.00	—	—
One year	9⅞-9⅝	—	10	10.00-10.20	9¼-9⅝	9⅞-10⅛
Two years	—	10⅛	—	—	—	—
Three years	—	10¾	—	—	—	—
Four years	—	11	—	—	—	—
Five years	—	11⅛	—	—	—	—

ECGD Fixed Rate Export Finance Scheme IV Average Rate for interest period December 7 1983 to January 3 1984 (inclusive) 9.492 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Fixed Houses Base Rates (published by the Finance Houses Association): 9½ per cent from January 1 1984. London and Scottish Clearing Bank Rates for lending 9 per cent. London Deposit Rates for sums at seven days' notice 5½ per cent. Treasury Bills: Average tender rate of discount 8.8823 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month 9½ per cent, one-three months 9¾ per cent; three-six months 10 per cent, six-12 months 10¼ per cent. Under £100,000 9½ per cent from January 12. Deposits held under Series 4-5 10¼ per cent. The rate for all deposits withdrawn for cash 8 per cent.

FT LONDON INTERBANK FIXING

LONDON INTERBANK FIXING
11.00 a.m. January 16)

6 months U.S. dollars	
bid 9 11/16	offer 9 13/16

6 months U.S. dollars	
bid 9 15/16	offer 10 1/8

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK (Lunchtime)

Prime rate	11
Broker loan rate	10½
Fed funds	9⁷⁄₁₆
Fed funds at intervention	—

Treasury Bills

One month	8.35
Two month	8.40
Three month	8.76
Six month	8.89
One year	8.95

Treasury Bonds

Two year	100²³⁄₃₂
Three year	100¹⁵⁄₃₂
Four year	100⁵⁄₈
Five year	100¹³⁄₃₂
Seven year	101⁷⁄₁₆
10 year	101⁷⁄₃₂
30 year	103³⁄₁₆

FINANCIAL FUTURES

Eurodollars firm

Euro-dollar prices opened firmer from Friday's closing levels in the London International Financial Futures Exchange yesterday and traded within a narrow range to finish little changed on the day. Opening levels were marked up on Friday's U.S. economic statistics. Retail sales and industrial production for December were well below market expectations and suggested a slowdown in the pace of U.S. economic growth. Money supply figures released on Friday showed a smaller than expected increase in M2 and a larger than expected rise in the relatively unimportant M1 figure.

A slowdown in U.S. economic growth would relieve upward pressure on U.S. interest rates and the need for the Fed to tighten its monetary policies in order to counter the inflationary pressures normally associated with a sharp economic recovery. Cash prices were a little weaker which helped to push values in the futures market to around the day's high at the close.

The rally was limited however as doubts remained as to the effects of a high U.S. budget deficit and the Fed's stance on credit policies. In addition the Fed seems unlikely to relax its current position unless there are continued signs that high interest rates threaten to inhibit continued economic growth.

Gilt prices improved in early trading, reflecting a buoyant U.S. bond market. Values eased back later in the day however on profit taking. The March price opened at 110-05, up from 109-28 but eased towards the close to 109-27.

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
March	90.24	90.26	90.17	90.16
June	89.89	89.90	89.80	89.80
Sept	89.58	89.59	89.54	89.50
Dec	89.32	89.35	89.30	89.24
March	89.13	—	—	—

Volume 4,534 (6,023)
Previous day's open int 8,932 (9,021)

THREE-MONTH STERLING DEPOSIT £250,000 points of 100% — [illegible]

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100% — [illegible]

STERLING £25,000 $ per £ — [illegible]

DEUTSCHE MARKS DM 125,000 $ per DM — [illegible]

SWISS FRANCS SwFr 125,000 $ per SwFr — [illegible]

JAPANESE YEN Y12.5m $ per Y100 — [illegible]

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
March	71-19	71-22	71-10	71-15
June	71-00	71-03	70-23	70-28
Sept	70-13	70-16	70-07	70-10
Dec	69-29	70-00	69-21	69-28
March	69-14	69-16	69-09	69-11
June	69-02	69-02	68-27	68-29
Sept	68-20	68-20	68-20	68-16
Dec	68-10	68-10	68-07	68-05

U.S. TREASURY BILLS (IMM) $1m points of 100% — [illegible]

CERT. DEPOSIT (IMM) $1m points of 100% — [illegible]

THREE-MONTH EURODOLLAR (IMM) $1m points of 100% — [illegible]

STERLING (IMM) $ per £ — [illegible]

GNMA (CBT) 8% $100,000 32nds of 100% — [illegible]

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COMPANY NOTICE

MARUI CO LTD
(KABUSHIKI KAISHA MARUI)

Holders of US$30,000,000 6½ per cent Convertible Bonds 1991 of the above Company are hereby notified in accordance with the Trust Deed constituting the Bonds that the Conversion Price will be adjusted from Yen 669.70 to Yen 608.80 per Share with effect from February 1, 1984.

Holders of US$50,000,000 6 per cent Convertible Bonds 1996 of the above Company are hereby notified in accordance with the Trust Deed constituting the Bonds that the Conversion Price will be adjusted from Y 769.50 to Yen 699.50 per Share with effect from February 1, 1984.

This adjustment results from the free distribution of new Shares to the Holders of Record as of January 31, 1984, at the Rate of 0.1 New Share for one Share held.

17 January, 1984

for MARUI CO. LTD
CITIBANK, N.A., LONDON

WORLD VALUE OF THE POUND

The table below gives the latest available rate of exchange for the pound against various currencies on January 16 1984. In some cases rate is nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Abbreviations: (A) approximate rate, no direct quotation available; (F) free rate; (P) based on U.S. dollar parities and going sterling-dollar rates; (T) tourist rate; (Bas) basic rate; (bg) buying rate; (Bk) bankers' rates; (cm) commercial rate; (ch) convertible rate; (fn) financial rate; (exC) exchange certificate rate; (nc) non-commercial rate; (nom) nominal; (o) official rate; (sg) selling rate.

PLACE AND LOCAL UNIT		VALUE OF £ STERLING
Afghanistan	Afghani	99.00
Albania	Lek	10.17
Algeria	Dinar	(A) 7.05
Andorra	French Franc	12.1425
	Spanish Peseta	226.70
Greenland	Danish Kroner	14.375
Grenada	E. Caribbean $	3.85
Guadaloupe	Local Franc	12.1425
Guam	U.S. $	1.4205
Guatemala	Quetzal	1.4205
Peru	Sol	exc(A)3,269.76
Philippines	Philippine Peso	19.78
Pitcairn Islands	£ Sterling	—
	New Zealand $	2.1855
Poland	Zloty	138.62
[illegible]	[illegible]	[illegible]

* Rate is the transfer market (controlled). ‡‡ Now one official rate. (U) Unified rate. Applicable on all transactions except countries having a bilateral agreement with Egypt and who are not members of IMF. (§) Based on gross rates against Russian rouble. (1) Essential goods. (2) Preferential rate for priority imports such as foodstuffs. (4) Non-essential imports and private sector applicants. (4) Preferential rate for public sector debt and essential imports. (5) Government controlled for non-essential imports. (6) Free rate for luxury imports, remittances of money abroad and foreign travel. (7) Parallel rate.

INTERNATIONAL CAPITAL MARKETS

Japan urged to relax Treasury bill market

BY YOKO SHIBATA IN TOKYO

THE BANK OF JAPAN (BOJ) plans to promote the liberalisation of interest rates on short-term government securities by opening up the Treasury bill market to public subscription by the end of this year—if it can overcome the objections of the ultra-cautious Ministry of Finance.

At present, the Ministry of Finance (MOF) issues short-term government securities, made up of Treasury Bills, Food Bills and Foreign Exchange Fund Bills with maturity periods of two months. Most of them are taken over by the BOJ because their rates of return are as low as 4.875 per cent, some 0.125 percentage points lower than the official discount rate.

The BOJ uses the TBs as a means of absorbing excess money supply by selling them in the interbank market during periods of highest liquidity—in April-May and October-November. Thus TBs are not regularly traded in the open market, despite their popularity among investors because they are secure, tax free, short-term, and highly liquid.

The U.S. Government seems to have finally recognised that the gap between the low interest rates prevailing in Japan and the high rates in the U.S. is a major cause of the heavy outflow of capital from Japan. The U.S. has pointed out that its Treasury bills are sold by public auction, a process that reflects money market conditions and is a major influence on interest rates.

President Ronald Reagan, on his visit to Japan last November, raised the issue again, asking Japan to establish a permanent TB market, which would enable Japanese and foreign investors to trade such bills easily and thus encourage wider dealing in the yen.

In view of mounting pressure from the U.S., the BOJ, backed by the securities industry, is urging the MoF to open up the TB market. So far, the MoF has been cool towards the idea—saying that any public trading of TBs would impose a heavy interest burden on the Government.

According to the BOJ, financial control through the short-term money market will increase in importance, compared to the traditional monetary adjustment of control through the official discount rate, as interest rates in Japan are progressively liberalised.

The BOJ particularly wants to establish a free market in TBs, with a floating interest rate, by the end of this year — before short-term Treasury bills in the BOJ's possession feel the impact of the massive issues of the short-term (less than a year) government bonds due to begin in 1985. These government bonds are for the redemption of bonds issued in and after 1975, to cover large budget deficits.

Government bond redemptions are bound to rise to about Y10,000 ($42.8bn) in fiscal 1985 and will top Y20,000bn in fiscal 1992. The Government has established a debt consolidation fund but was forced to suspend transfers to it from the general account in fiscal 1982, 1983 and 1984, because of sizeable revenue shortfalls.

As sources of funds for debt consolidation will more or less dry up in fiscal 1985, the Government has no choice but to redeem them by issuing short-term refunding bonds.

In order to absorb smoothly such large volumes of both refunding and new bonds, expected to total more than Y20,000bn in the fiscal year to March 1986, it is considered necessary to liberalise the terms for issuing refunding bonds. To avoid a head-on collision with the floating interest rates of the short-term refunding bonds, the BOJ wants to open up the TB market and let interest rates settle at a level consistent with market forces.

The securities industry supports the BOJ's move because securities houses can participate in public subscriptions. The banks, however, have voiced concern that the opening-up of the TB market would facilitate a big shift in funds from savings deposits to TBs which carry higher yields, if interest rates on savings remain regulated.

Four futures contracts open Toronto exchange

BY NICHOLAS HIRST IN TORONTO

WITH A FANFARE of trumpets a new Toronto Future Exchange, initially trading three financial and one silver options contracts was formally opened yesterday. In March the exchange plans to offer a U.S. dollar/Canadian dollar currency futures contract with a sterling to Canadian dollar contract to be offered soon after.

Financial futures have been traded in Toronto under the auspices of the Toronto Stock Exchange for the past four years, but with fewer than 50,000 contracts traded annually volume was disappointing and a loss-maker for the exchange.

The setting up of a separate Toronto Futures Exchange by an act of the Provincial Ontario legislature has enabled seats to be sold widely outside the Toronto stock exchange membership. A total of 239 seats have been sold for C$6,500 each. All five big Canadian chartered banks are members. Japanese commodity houses have joined, as have individual investors from Europe, and the London commodity group. Mantrad has purchased a seat.

Mr Kenneth Field, of Toronto investment house McLean, McCarthy, the new chairman of the futures exchange, says the market had been inhibited by a lack of liquidity driving Canadians to take futures contracts on the Chicago and New York markets.

He believes the new membership will increase trading and make a success of a futures market

EUROBONDS

$350m floating rate note for BNP

By Mary Ann Sieghart in London

Banque Nationale de Paris launched a $350m floating rate note in the Eurodollar bond market yesterday, a deal which had been rumoured in the market for weeks.

The 11-year bond pays a spread of ⅛ point over the mean of the six-month London interbank bid and offered rates at par. BNP itself is leading the deal with Credit Suisse First Boston.

BHF Bank bond average

Jan 16		Previous
98.220		98.084
High	1983/84	Low
102.017		97.699

The front-end fees are 1¼ per cent, which gives an all-in cost to the borrower on a compounded basis of 0.32 per cent over six-month Libor. It sold well in the market, trading at a discount of 0.80 per cent, within its 1 point selling concession.

Despite expectations of a flood of new issues after the New York market's strong performance on Friday, only one straight bond was launched yesterday.

The World Bank is raising $200m through a five-year bond paying an 11⅝ per cent coupon at par. Led by Deutsche Bank and CSFB, the bond is non-callable. It was launched too late in the day for an accurate pre-market price to be made, but initial reaction was favourable.

The dollar secondary market was quieter than most dealers had expected and prices, which were sharply marked up early in the day, eased off again. They closed up about ⅜ point.

In Germany, Allied Corporation, the U.S. energy and chemicals group, is raising DM 125m through a 10-year bond paying a 7½ per cent coupon at par. Dresdner Bank is leading the deal, which, like last week's bond for R. J. Reynolds, was warmly received despite its relatively low coupon. It traded around its issue price.

Sweden is raising Fl 200m in the Euroguilder market with a 10-year, 9 per cent bond priced at par. ABN Bank and Amro Bank are leading the issue.

Secondary market prices rose by up to ¼ point in both Switzerland and Germany in turnover which was only moderate.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for January 16.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia Comm 11¼ 90	100	101¾	101⅞	+0⅛	-0¼	10.88
Australia Comm 11½ 95	300	97¾	97⅞	-0¼	0	11.87
Australia Comm 11⅝ 98	100	97¾	97⅞	+0⅛	+0½	11.96
Bank of Tokyo 11 90	100	95½	96	-0⅞	+1	11.93
Bank of Tokyo 11⅞ 90	100	98¾	99¼	-0⅛	-0⅜	12.08
British Col Hyd 10¼ 88	200	96¾	97¼	+0⅛	+0¼	11.16
Bristol Fin 11⅞ 90	125	100¼	100⅝	+0⅛	+0⅜	11.76
Canada 10⅞ 88	500	98⅞	99⅜	+0¼	+0⅛	11.89
C.C.C.E. 12⅝ 95	75	100⅛	100⅝	-0⅛	-0⅝	12.53
C I B C 11 90	75	92¼	93¼	0	-0⅛	12.71
Citicorp O/S 10⅜ 90	100	91¾	92¼	+0⅜	+0½	12.23
Citicorp O/S 11⅜ 90	100	98⅜	98⅞	+0⅛	+0½	12.03
Cred Suisse BAH 10½ 90	150	99⅛	99⅝	+0⅛	-0½	10.63
Den Norsk Cred 11¼ 93	50	92⅞	93⅜	+0⅜	-0⅜	12.51
Denmark Kingdom 12¼ 93	100	97¾	98¼	+0⅛	-0⅜	12.60
E C S C 11⅞ 90	75	99⅝	100⅛	+0⅜	-0⅝	11.87
E.D.F. 11⅛ 93	100	93⅞	94⅜	-0⅛	+1½	12.19
E E C 11 87	350	98⅝	99⅛	-0⅛	-0⅛	11.35
E E C 12 93	50	99⅝	100⅛	+0⅛	-0⅜	12.01
E.I.B. 10¾ 93	200	92	92½	+0⅛	+0⅜	12.16
E I B 11 91	125	95⅛	95⅝	-0⅛	-0⅜	11.98
E.I.B. 11½ 90	200	97¼	97¾	+0⅛	-0⅛	12.04
Exportfinans 11½ 90	100	96¾	97¼	+0⅛	-0⅝	12.12
Electrolux 10½ 90	50	92⅞	93⅜	+0⅜	+0½	12.07
Fuji Int Fin 10⅞ 90	100	94	94½	+0⅜	+0⅞	12.20
GMAC O/S Fin 11⅝ 90	100	99¾	100¼	-0¼	-0⅝	11.35
Honeywell Int 10¾ 90	100	96⅛	96⅝	+0⅛	0	11.58
IC Indust Fin 11⅞ 98	75	96⅞	97⅜	0	+0⅜	12.30
Indust Bk Japan 11⅞ 91	100	99⅝	100⅛	-0¼	-0⅞	11.88
ITT Finance 11½ 89 WW	125	99¾	100¼	+0¼	-0¼	11.48
Japan Air Lines 10⅞ 98	42	92¾	93¼	-0⅜	+1¼	11.90
Japan Air Lines 11 93	75	95½	96	+0½	+1¼	11.74
J C Penney 11⅞ 90	100	101¼	101¾	+0⅜	+0¼	11.52
J. P. Morgan 11⅜ 90 WW	150	98¼	98¾	-0¼	-0½	11.68
Levi Strauss Int 11 90	75	96½	97	+0½	0	11.71
L.T.C.B. 10¾ 90	100	94	94½	+0⅜	-1⅛	12.06
L T C B 12½ 90	85	101⅞	102⅜	0	+0⅝	11.99
Merrill Lynch 10⅝ 90	200	95	95½	-0½	+0½	11.71
Mitsubishi Fin 11⅜ 90	100	96⅛	96⅝	+0⅜	+0¾	12.18
Nippon Credit 11 90	100	94⅜	94⅞	+0⅛	+0⅜	12.24
Nippon Credit 11⅞ 90	100	98⅜	98⅞	-0½	-1¼	12.16
Ontario Hydro 10¼ 90	250	94⅛	94⅝	0	+0⅛	11.52
Ontario Hydro 11¾ 90	200	101	101½	+0⅛	+0⅛	11.44
Pacific Gas & Elec 12 91	75	102¼	102¾	-0⅛	-0⅛	11.47
P K Banken 12 90 WW	75	97	97½	+0½	+0½	12.60
Prudential 10⅛ 93 WW	150	96⅜	96⅞	-0⅛	-1⅞	10.69
Prudential 10⅛ 93 XW	150	90⅜	90⅞	+0¼	0	11.77
Quebec Hydro 11½ 92	100	98⅛	98⅝	+0⅜	-0½	11.79
Sears O/S Fin 11½ 88	125	101⅜	101⅞	+0⅛	-0⅛	11.83
Sears O/S Fin 11⅝ 93	150	98½	99	+0⅛	-0¼	11.83
Sth Cal Edison 10½ 90	75	96	96½	+0¼	-0¼	11.34
Sumitomo Fin 10⅞ 90	100	94⅛	94⅝	+0½	-1	12.15
Texaco Capital 10½ 93	200	94¾	95¼	-0¼	0	11.36
U.B.S. 10 88	100	98¼	98¾	+0⅛	-0⅜	10.42
World Bank 11⅛ 88	100	99⅝	100⅛	-0¼	-0⅛	11.24
World Bank 11¼ 90	200	96¾	97¼	+0⅜	+0⅜	11.89
World Bank 11½ 90	150	98¼	98¾	+0⅛	+0½	11.81
World Bank 12 93	200	100	100½	+0¼	+0¼	11.93

Av. price changes: on day -¼, on week -⅜

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amca Int I 8¼ 91	100	97½	98	+0¼	-0⅜	8.65
A.N.A.S. 8½ 91	150	98	98½	0	0	8.84
Arab Banking Corp 8 88	100	96⅜	96⅞	0	0	8.89
Asian Dev Bk 8½ 93	200	99⅝	100⅛	-0⅜	-0¼	8.51
Austria Rep 7⅝ 89	100	100⅞	101⅜	-0⅛	+0⅛	7.35
Avon Int Fin 7½ 93	100	101	101½	0	0	7.30
Barclays O/S 8⅛ 98	250	99	99½	0	+0⅛	8.21
Beatrice Foods 7¾ 93	130	102⅝	103⅛	+0⅛	0	7.32
E C S C 8 90	160	100	100½	+0⅛	-0⅛	7.93
E I B 8 93	200	98½	99	-0⅛	-0⅛	8.18
Eurofima 7½ 90	100	101⅛	101⅝	-0⅛	+0⅛	7.21
Europarat 8¼ 93	150	99⅛	99⅜	0	-0½	8.32
Finland Rep 8 90	150	99½	100	-0⅛	+0⅜	8.04
I.A.D.B. 8¼ 93	150	97½	98	-0⅛	0	8.59
Int Standard Ele 7⅜ 90	100	99⅝	100⅛	+0¼	+0⅜	7.39
Int Standard Ele 7¾ 93	100	101⅝	102⅛	+0⅛	0	7.48
Ireland 8⅝ 91	150	100⅝	101⅛	+0½	+0⅜	8.45
Japan Dev Bank 7½ 90	100	101	101½	-0⅛	+0½	7.24
L.T.C.B. 8 90	100	100⅝	101⅛	0	-0¼	7.81
Megal Fin 8¼ 94	150	97	97½	0	0	8.67
Sth Africa Rep 8½ 91	200	99	99½	+0⅜	+0⅜	8.63
S.N.C.F. 8⅛ 93	100	99⅞	100⅜	0	-0⅛	8.10
VEBA Int Fin 4 93 WW	300	116⅝	117⅛	+0½	-0⅝	2.10
VEBA Int Fin 4 93 XW	300	75½	76	-0½	-0⅝	7.56
World Bank 7⅞ 89	300	100	100½	-0⅛	0	7.69
World Bank 8 93	300	98¾	99¼	+0⅛	0	8.15

Av. price changes: on day -⅛, on week 0

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amex O/S Fin 7¼ 91	57	76½	76¾	-0⅛	-0⅜	12.01
Bank of Tokyo 6 91	100	102½	102¾	-0½	+0¼	5.56
Denmark 6⅜ 91	100	103½	103¾	+1	+0½	5.78
E.E.C. 6 93	100	101½	101¾	+0⅛	-0¼	5.77
Elec Power Dev 5⅝ 93	100†	100¼	100½	+0⅛	-0½	5.57
Europarat 6⅛ 93	100*	99¾	100	+0⅛	-0⅛	6.14
Ind Fund Fin 6¼ 91	40	101½	102	0	-0⅛	5.95
Int-Am Dev Bk 6 93	100	100⅜	100⅝	+0⅛	+0⅛	5.93
Ireland 6½ 93	80	101	101¼	+0¼	+0¾	6.34
Japan Dev Bank 5⅞ 93	100	103½	103¾	+0¾	-0¼	5.38
Jap Highway Pub 5⅝ 91	100	101¾	102	0	+0⅛	5.32
Kansai Ele Power 6 91	100	102¼	102½	0	0	5.59
Manitoba Prov 5½ 93	100†	102½	103	-0⅛	+0⅜	5.13
Mont Blanc Tunl 6⅜ 93	35	102¾	103	-0⅝	0	5.97
Mount Isa Finance 6 93	100	103¾	104	+0⅜	+0¼	5.46
MTG Bk Denmark 6¼ 91	80	102⅛	102⅜	+0⅛	-0⅛	5.88
New Brunswick 5¾ 93	100	103⅜	103⅝	0	+0⅜	5.28
Nippon Tel & Tel 5¾ 93	100	103½	103¾	+0⅛	0	5.27
Nisshin Steel 6¼ 91	100	101⅝	101⅞	-0⅛	-0⅜	5.85
Osterr Post 6⅛ 91	100	103⅝	103⅞	+0⅛	-0⅛	5.49
Quebec Province 5⅝ 93	100	101¼	101½	+0¼	+0½	5.44
Shikoku Elec Power 6 91	100	103	103¼	+0¼	+0⅛	5.50
Soc Lux Cent 5⅝ 93	100†	100	100¼	0	0	5.73
Sumitomo Heavy Ind 6 91	100†	102¼	102¾	-0¼	-0⅛	5.59
Tokyo Elec Power 5⅞ 91	100	102⅞	103⅛	-0¼	-0⅛	5.38
Triaec Corp 6⅛ 93	100	101⅝	102	-0¼	0	5.86

Av. price changes: on day -⅛, on week 0

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 8⅝ 92	15	107⅛	107⅝	+0⅜	+0⅛	7.44
E I B 8¼ 92	15	103⅝	104⅛	+0⅜	+0⅛	7.58
Int-Am Dev Bk 7¾ 93	15	101¾	102½	-0½	+1	7.56
New Zealand 7⅝ 89	15	104⅛	104⅝	+0¼	+0⅛	6.43
World Bank 7⅝ 93	20	101⅞	102⅜	+0⅛	+0⅛	7.26

Av. price changes: on day -⅛, on week -⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
British Col Hyd 12 93 CS	125	97⅜	98⅜	+0¼	0	12.33
E I B. 12¼ 91 CS	80	97⅝	98⅛	0	+0⅛	12.66
Loblaw 12½ 90 CS	35	98⅜	98⅞	+0½	+0½	12.89
Montreal City of 12 90 CS	50	98½	99	+0⅛	+0⅜	12.24
Quebec Hydro 12¾ 93 CS	50	102½	103	-0⅜	+0½	12.22
Royal Trstco 12⅝ 88 CS	50	101⅛	101⅝	0	0	12.17
World Bank 12¼ 90 CS	75	100⅝	101⅛	+0⅛	+0⅛	12.00
E E C 11 93 ECU	50	100¾	101¼	+0⅜	-1⅜	10.78
Genfinance 11 90 ECU	70	99½	100½	0	-0⅜	10.97
Algemene Bank 8¾ 88 Fl	150	102⅞	103⅜	-0⅜	-0¼	7.89
Amro Bank 8¾ 88 Fl	100	102⅝	103⅛	-0⅜	-0⅜	7.92
Bank Mees & Hope 9 88 Fl	75	103⅝	104⅛	+0⅛	0	7.98
Ned Middenstandbk 9 88 Fl	100	103½	104	-0¼	-0½	8.01
Rabobank 9 88 Fl	100	103⅝	104⅛	-0⅛	-0¼	7.98
World Bank 9 88 Fl	100	103⅛	103⅝	0	0	8.04
O.K.B. 14 88 FF	400	101	102	+0½	0	13.66
Solvay & Cie 14¾ 86 FF	200	102¼	103¼	+0⅛	+0⅛	13.14
B.F.C.E. 11½ 88 £	50	99⅝	100⅜	-0⅛	+0½	11.46
British Oxyg 11¾ 91 £	50	100½	101¼	+0⅛	+0¼	11.54
CEPME 11¼ 95 £	35	104⅞	105⅜	+0½	+0⅝	10.40
CIBA-Geigy Int 6¾ 93 £	25	101¼	102	-0⅛	-0⅛	6.52
Commerzbank 11½ 90 £	25	97⅝	98⅝	+0⅛	+0⅜	11.93
E.E.C. 11⅜ 91 £	50	101	101¾	+0⅛	+0⅛	11.57
E E C. 11⅞ 93 £	50	101	101⅜	+0⅛	0	11.61
Fin For Ind 10½ 90 £	20	95⅛	95⅞	+0¼	+0⅛	11.51
Finland Rep 11⅞ 89 £	50	100⅜	101½	+0⅛	-0⅛	11.57
Gen Elec Co 12½ 89 £	50	103⅜	104⅜	+0⅛	-0⅛	11.34
I.I.J. 10¾ 93 £	25	95⅛	95⅞	+0⅛	+0⅛	11.52
I.I.I. 11½ 91 WW £	50	99⅝	100⅜	0	-0⅛	11.49
Norsk Hydro 12 90 £	30	101⅛	101⅞	+0⅛	+0¼	11.83
Sweden 11¼ 93 £	50	97⅞	98⅝	0	-0⅞	11.53
Swed Exp Cred 11¼ 88 £	30	98¾	99½	-0⅛	-0⅛	11.47
World Bank 11⅛ 88 £	100	99	99¾	0	0	11.27
Eurofima 10 91 LuxFr	600	99⅛	100⅛	-0⅛	-0⅛	10.06
Europarat 10¾ 93 LuxFr	600	100⅛	101⅛	-0⅛	-0⅛	10.62

FLOATING RATE NOTES	Spread	Bid	Offer	C.date	C.cpn	C.yld
Allied Irish Bk 5¼ 95	0⅛	98⅜	98⅞	8/6	10.31	10.45
Banco di Roma 5¼ 90	0¼	100	100¼	7/6	10½	10.49
Belgium 5 2004	0⅛	99⅛	99⅜	9/7	10.31	10.35
Bk of New Yk 5¼ 96 $	0⅛	99¼	99½	12/4	10.06	10.13
C.C.F. 5¼ 95	0⅛	99¾	100	7/4	9.94	9.95
C.C.F. 5⅛ 98 $	0¼	100	100¼	24/3	10.19	10.17
CEPME 5¼ 88 WW	0¼	100	100¼	3/3	10.31	10.30
C N C.A. 5¼ 95 XW	0⅛	100	100¼	7/6	10½	10.49
C.N.T. 5¼ 91	0⅛	99¾	100	8/5	10.19	10.20
Credit Foncier 5¼ 93	0¼	99¾	100	6/4	10	10.01
Denmark 5¼ 90	3/16	99⅝	99⅞	13/4	10	10.03
Dresdner Fin 5¼ 93 XW $	0¼	100	100¼	19/4	9.94	9.93
EAB Fin 5 93 $	0¼	100⅛	100⅜	20/1	10.69	10.64
E.D.F. 5¼ 95 XW	0⅛	100	100¼	10/2	11⅜	11.36
E.E.C. 5 90	0⅛	100⅛	100⅜	6/7	10⅜	10.35
Ext Int 5¼ 98	0⅛	98⅛	98⅝	21/6	10.81	11.01
Fst Interstate 5¼ 95 $	0⅛	99⅜	99⅝	6/3	9.94	9.98
Fuji Int'l 5¼ 86 $	0⅛	99⅝	99⅞	12/7	10⅛	10.20
GZB 5¼ 98	0⅛	99⅝	99⅞	29/5	10.19	10.21
Hispano 5¼ 85	0⅛	98⅛	98⅜	20/4	10	10.10
Nat Bk Canada 5¼ 91 $	0⅛	98½	99	5/7	10.44	10.37
Saitama Int 5¼ 93	0⅛	99⅜	100⅛	6/8	10.19	10.19
Soc Generale 5¼ 90 XW	0⅛	99⅞	100⅛	9/5	10.31	10.31
Sweden 5¼ 2003 $	0⅛	99⅝	99⅞	17/6	10.19	10.21

Av. price changes: on day 0, on week -⅛

CONVERTIBLE BONDS	Conv. date	Conv. price	Bid	Offer	Chg. day	Prem
BBC Brown Boveri 4¼ 95	2/84	188	98¼	99¾	0	-4.34
Bridgestone Tire 5½ 96	3/82	478	137½	139	0	1.28
Canon 7 97	7/82	688.2	241¾	243¾	-0¼	-0.78
Daiwa Sec Co 5½ 98	10/83	481.8	105½	107	0	-2.49
Fanuc 3¾ 98	1/84	8142	125⅞	128⅜	+0¾	7.01
Hitachi Cable 5⅛ 98	2/82	515	120⅝	122¼	0	-1.27
Honda Motor 5⅛ 98	6/83	884	125¼	126¾	+0⅛	2.57
Honda Motor 5½ 97	3/83	758.6	144⅝	146⅛	+0¾	1.81
Konishiroku Photo 4 98	10/83	673	102¾	103¾	-0½	6.86
Kyowa Hakko 6¼ 97	2/83	762	118⅞	120⅜	+0⅜	11.53
Minebea Co Ltd. 5½ 98	5/83	867	110⅞	111⅞	+0½	0.84
Mitsubishi Electric 5¼ 98	6/83	398	111⅜	112⅜	-0⅛	3.20
Mitsubishi Heavy 4¾ 99	1/84	253	105¼	106¼	-0⅛	0.01
Nippon Electric 5⅛ 97	2/82	785.9	189	191	+0⅜	-0.47
Nippon Oil Co 5½ 98	4/83	984	114⅜	115⅜	+0⅛	0.06
Nissan Motor 5¾ 98	4/83	780	110⅛	111⅛	+0¼	1.72
Olympus Optical 6¾ 97	12/82	1157	111⅜	112⅞	-0⅜	10.33
Orient Leasing 5⅛ 98	8/83	2898	104⅛	105⅝	+0⅛	1.98
Secom 5 98	11/83	2928	157¾	159⅛	+0⅜	0.87
Yamaichi Sec Co 5 98	8/83	449.5	109½	111	+0½	-2.55
Yamanouchi Pharm'cal 4 90	10/83	1808	104⅛	105⅞	+0⅜	-29.78
Bridge Oil 4¾ 93 SF	3/84	3.43	109½	111½	0	23.47
Toshiba 2¾ 94 SF	1/84†	391	112⅜	114⅜	+0⅜	2.93
Asics 5 97 DM	12/83	520	117⅞	118⅞	-0⅛	3.76
Konishiroku 6¾ 88 DM	6/82	616	125½	128¾	+0½	-4.49
Sum Realty 6⅛ 92 DM	2/83	385	138	139	-1½	-8.63

* No information available—previous day's price

† Only one market maker supplied a price

Straight Bonds: The yield to redemption of the mid price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week – Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. date – Date next coupon becomes effective. Spread – Margin above six month offered rate (†† three month; § above mean rate) for U.S. dollars. C.cpn. – current coupon. Cu yld – current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg day – Change on day. Cnv. date – First date for conversion into shares. Cnv price – Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem – Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

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BANQUE SUDAMERIS

U.S.$30,000,000 Floating Rate Notes due 1987

For the six month period 13th January, 1984 to 13th July, 1984 The Notes will bear an interest rate of 10⅛% per annum. Interest payable on 13th July, 1984.

Bankers Trust Company, London

BANQUE DE L'INDOCHINE ET DE SUEZ

US$40,000,000 Floating Rate Notes 1979-1989

For the six months 13th January, 1984 to 13th July, 1984 the Notes will carry an interest rate of 10⅛% per annum and Coupon Amount of US$52.45. Listed on the Luxembourg Stock Exchange

By: Bankers Trust Company, London Reference Agent

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U.S.$18,000,000 Serial Floating Rate Mortgage Notes Due 1986

For the six month period 13th January, 1984 to 13th July, 1984 the Notes will bear an interest rate of 10⅝% and a coupon amount of U.S.$481.07 payable on 13th July, 1984.

Bankers Trust Company, London Principal Paying Agent

RBC INTERNATIONAL INCOME FUND LIMITED

BEARER DEPOSIT RECEIPTS

An interim dividend in respect of the period ended 1st November 1983, has been declared and will be payable on the 17th January 1984. US$0.43 will be paid against presentation of Coupon No. 7 of the Bearer Depositary Receipts at the Fund's Depositary: THE ROYAL BANK OF CANADA (CHANNEL ISLANDS) LIMITED PO Box 48 St. Julian's Avenue St. Peter Port Guernsey Channel Islands

THE PHILIPPINE INVESTMENT COMPANY S.A.

Net Asset Value as of December 31st, 1983 U.S.$2.45

Listed Luxembourg Stock Exchange

Agent: Banque Générale du Luxembourg

Investment Bankers: Manila Pacific Securities, SA

NOTICE TO BONDHOLDERS NORSK HYDRO A/S 9⅝% BONDS 1994

NOTICE IS HEREBY GIVEN that pursuant to Condition 4 of the Bonds, US$2,000,000 principal amount has been purchased by the Company in full satisfaction of the January 15, 1984 redemption instalment.

THE CHASE MANHATTAN BANK N.A. Principal Paying Agent

January, 1984.

Kingdom of Sweden

U.S. $150,000,000 Floating Rate Notes Due January 1995

For the six months 16th January, 1984 to 16th July, 1984 the Notes will carry an interest rate of 10⅜% per annum with a Coupon Amount of U.S.$131 2.85.

Bankers Trust Company, London Fiscal Agent

This announcement appears as a matter of record only.

SwF 80,000,000

Project Financing Loan

BANQUE NATIONALE POUR LE DEVELOPPEMENT ECONOMIQUE

Morocco

Long Term Fixed Rate Portion

Provided by

International Finance Corporation

Medium Term Fixed Rate Portion

Guaranteed by

The Kingdom of Morocco

Arranged by

Handelsbank N.W.

and provided through International Finance Corporation participations by

Handelsbank N.W.

Chemical Bank

Gulf International Bank, B.S.C.

Standard Chartered Bank PLC

Banque Arabe et Internationale d'Investissement (B.A.I.I.)

Credit Agricole

Manufacturers Hanover Trust Company

Banca del Gottardo

These Debentures having been sold, this announcement appears as a matter of record only.

New Issue

December 1983

Can. $35,000,000

Loblaw Companies Limited

(Incorporated with limited liability in Canada)

12½% Debentures due 1990

Orion Royal Bank Limited

Algemene Bank Nederland N.V. — Banque Paribas

Burns Fry Limited — CIBC Limited

Kredietbank International Group — McLeod Young Weir International Limited

Merrill Lynch Capital Markets — Salomon Brothers International

Société Générale de Banque S.A. — Swiss Bank Corporation International Limited

S. G. Warburg & Co. Ltd. — Westdeutsche Landesbank Girozentrale

Banca del Gottardo
Bank Gutzwiller, Kurz, Bungener (Overseas) Limited
Bank Leu International Ltd.
Bank Mees & Hope NV
Bank Morgan Labouchere N.V.
Banque Bruxelles Lambert S.A.
Banque Générale du Luxembourg S.A.
Banque Internationale a Luxembourg S.A.
Banque Ippa
Banque Nationale de Paris
Banque Paribas Belgique S.A.
Banque Populaire Suisse SA Luxembourg
Banque Worms
H. Albert de Bary & Co. N.V.
Bayerische Landesbank Girozentrale
Bayerische Vereinsbank Aktiengesellschaft
Commerzbank Aktiengesellschaft
Continental Illinois Capital Markets Group
County Bank Limited
Crédit Commercial de France

Crédit Général S.A. de Banque
Crédit Industriel d'Alsace et de Lorraine
Crédit Lyonnais
Crédit Suisse First Boston Limited
Creditanstalt-Bankverein
Dewlin S.A.
DG Bank Deutsche Genossenschaftsbank
Dominion Securities Ames Limited
Dresdner Bank Aktiengesellschaft
Effectenbank-Warburg Aktiengesellschaft
Enskilda Securities
Skandinaviska Enskilda Limited
Girozentrale und Bank der österreichischen Sparkassen Aktiengesellschaft
Hambros Bank Limited
Kidder, Peabody International Limited
Kleinwort, Benson Limited
F. van Lanschot Bankiers N.V.
Lévesque, Beaubien Inc.
Samuel Montagu & Co. Limited
Morgan Stanley International

Nederlandse Credietbank N.V.
Nesbitt Thomson Limited
Norddeutsche Landesbank Girozentrale
Orion Royal Pacific Limited
Österreichische Länderbank AG
Peterbroeck, Van Campenhout & Cie S.C.S.
Pierson, Heldring & Pierson N.V.
Pitfield Mackay Ross Limited
PK Christiania Bank (UK) Ltd.
Richardson Greenshields of Canada (U.K.) Limited
N.M. Rothschild & Sons Limited
Société Générale
Société Générale Alsacienne de Banque - Luxembourg
Svenska Handelsbanken Group
Toronto Dominion International Limited
Verband Schweizerischer Kantonalbanken
Vereins- und Westbank Aktiengesellschaft
Westdeutsche Genossenschafts-Zentralbank eG
Wood Gundy Limited

هكذا من الأصل